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Situation of human rights in the Democratic People's Republic of Korea

Report of the Secretary-General 2015*

Summary

The present report is submitted pursuant to General Assembly resolution 69/188 on the situation of human rights in the Democratic People's Republic of Korea and covers the period from September 2014 to August 2015.

The first part of the report provides an overview of human rights issues in the Democratic People's Republic of Korea. In particular it provides updated information on the right to life, liberty and security of the person, international abductions and separated families, freedom of expression and access to information, freedom of movement, the right to food, the right to health, children's rights, the rights of persons with disabilities and women's rights, as well as the impact of economic sanctions on United Nations assistance.

The second part of the report describes the engagement of various United Nations intergovernmental bodies and other entities to address human rights in the Democratic People's Republic of Korea. In that context, it refers to the establishment of OHCHR (Seoul), the field-based structure of the Office of the United Nations High Commissioner for Human Rights, mandated by the Human Rights Council in its resolution 25/25 to work in the area of human rights in the Democratic People's Republic of Korea.

The report concludes with recommendations addressed to the Government of the Democratic People's Republic of Korea and the international community, aimed at improving the situation of human rights in the country.

* Late submission due to consultations with relevant stakeholders.

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I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 69/188 on the situation of human rights in the Democratic People's Republic of Korea and covers the period from September 2014 to August 2015. The report provides an update on issues relating to human rights in the Democratic People's Republic of Korea, namely, the right to life, liberty and security of the person, the right to freedom of expression and access to information, children's rights, women's rights, the rights of persons with disabilities and the rights to food and to health. The negative impact of economic sanctions on United Nations assistance in the country is also examined.

2. In addition, the report provides an update on the engagement of various United Nations bodies and entities to address the human rights situation in the Democratic People's Republic of Korea. During the reporting period, the General Assembly and the Human Rights Council adopted resolutions on the human rights situation in the country and, for the first time, the Security Council extended its debate on the Democratic People's Republic of Korea beyond nuclear concerns to include human rights. Reference is also made to the establishment in Seoul of the field-based structure of the Office of the United Nations High Commissioner for Human Rights (OHCHR), as mandated by the Human Rights Council in its resolution 25/25.

3. The report contains recommendations addressed to the Government of the Democratic People's Republic of Korea and the international community, aimed at improving the situation of human rights in the country, and calls for the Government's constructive engagement in that regard.

II. Overview of the situation of human rights in the Democratic People's Republic of Korea

A. Right to life, liberty and security of the person, and to a fair trial

4. According to a report by the Korea Institute for National Unification published in July 2015, up to 1,400 summary executions are estimated to have been carried out in the Democratic People's Republic of Korea since 2000. During the period under review there were reports of executions of political dissidents or senior officials who had fallen out of grace with the leadership. For example, in June 2015, Amnesty International and the Korea Institute for National Unification reported that the Defence Minister, Hyon Yong Chol, may have been executed for "sleeping during military events and failing to follow orders". The Government has denied carrying out executions. Nonetheless, arbitrary executions remain a risk, owing to a vaguely phrased provision of the criminal code which makes any "grave offence" punishable by "life-term reform through labour or the death penalty".

5. There were no indications of changes in the use of political prison camps, as documented by the commission of inquiry established by the Human Rights Council to investigate violations of human rights in the Democratic People's Republic of Korea. During the universal periodic review of the Democratic People's Republic of Korea in May 2014, the Government stated that some people were serving terms of reform in labour institutions, but it continued to deny the existence of political prison camps.

6. In June 2015, the authorities sentenced two citizens of the Republic of Korea, Kim Kuk-gi and Cheon Chun-gil, to an indefinite period of labour on charges of spying. Two other nationals of the Republic of Korea, Kim Jeong-wook and Joo Won-moon, and a Canadian citizen, Pastor Hyeon Soo Lim (Rim Hyon Su) remained in pretrial detention on similar charges.

7. According to testimonies given to OHCHR (Seoul) by recent escapees, torture and ill-treatment continued to be used by the authorities to threaten, punish and discourage the authors of acts considered as subversive. For example, in June 2015, an escapee described the conditions during his 10 years in prison as a "daily fight for survival", with pervasive practices of humiliation, hard labour and beating imposed on all prisoners, and immense pressure exerted on them to show loyalty to the ruling elite. That account is consistent with patterns documented by the commission of inquiry of widespread resort to torture and degrading treatment in prisons.

B. International abductions and separated families

8. The authorities of the Democratic People's Republic of Korea allegedly continued to carry out international abductions. During its sessions in March and May 2015, the Working Group on Enforced or Involuntary Disappearances transmitted six new cases of alleged abductions to the Government.

9. In March 2015, in his annual report to the Human Rights Council (A/HRC/28/71), the Special Rapporteur on the situation of human rights in the Democratic People's Republic of Korea proposed a multitrack strategy to address the issue of international abductions, enforced disappearances and related matters. During his visit to Tokyo in January 2015, he was informed that the Government of Japan was looking into 881 alleged abductions of its citizens over the decades.

10. A number of organizations continued to collect evidence on the issue of abductions by the Government of the Democratic People's Republic of Korea and to advocate for redress. OHCHR (Seoul) has been in contact with those organizations to help facilitate access to United Nations human rights protection mechanisms. The United Nations High Commissioner for Human Rights emphasized that OHCHR (Seoul) will work to complement ongoing efforts, help consolidate findings and channel them to relevant United Nations human rights and other mechanisms.

11. During the reporting period, no reunions of separated families took place. An inter-Korean agreement reached on 25 August 2015 included a time frame for the reunion of separated families in late September and an agreement to vitalize exchanges between non-governmental organizations in various fields. The United Nations human rights system has recommended increased people-to-people contact between the two countries.

12. The Secretary-General is deeply concerned at the plight of separated families and at the ongoing abductions and enforced disappearances. He calls on all stakeholders in the region and beyond to strengthen efforts to monitor and follow up on those cases, with a focus on facilitating family reunions and ensuring accountability for abductions and disappearances.

C. Freedom of expression and access to information

13. The Government accepted three universal periodic review recommendations to improve the exercise of the rights to freedom of expression, peaceful assembly and association, and access to information. In particular, it agreed to consider the adoption of a series of laws and practical measures to ensure citizens' free access to information.

14. However, during the reporting period, there were no indications of improvement in the exercise of freedom of expression or access to information. There was no public debate and those few demonstrations that took place appear to have been organized by the Government for propaganda purposes.

15. All television, radio and other news providers remained State-owned and fully controlled by the Government. Access to external sources of information, especially through satellite television channels, foreign media and the Internet, was totally restricted for the general public. No international newspapers were available and any publications coming from abroad had to be declared at the airport.

16. The use of mobile phones has become widespread in Pyongyang in recent years, but the extent of their use outside the capital city is unknown. Landline and mobile phone usage by the public is limited to an in-country network and to communication within the country. Telephone communications between the local population and the expatriate community are restricted. This has created operational challenges in emergency situations and, at the request of the United Nations, the Government agreed to allow limited mobile phone communication between international staff members of international organizations/missions and selected national staff members, for emergency purposes only.

17. In 2014, the Government asked all foreign missions to limit the access to Internet services of their national staff members, except for work-related purposes. That measure has posed a serious challenge to the ability of international organizations, including the United Nations, to operate effectively. It also demonstrates the Government's persistent efforts to limit Internet access.

D. Freedom of movement

18. Citizens of the Democratic People's Republic of Korea are not allowed to leave the country without permission. Those who do so or try to do so, or their families, face severe punishment. In October 2014, the Government activated the Non-Standing National Emergency Prevention Committee to prevent the spread of the Ebola virus disease. This included measures requiring all foreigners and nationals travelling from "Ebola-affected" countries — which, according to the Government, included all African countries plus Spain and the United States of America — to be quarantined in a government-designated hotel for 21 days under medical observation. Furthermore, nationals and foreigners, including United Nations personnel, returning from "non-affected" countries, were required to remain in their residences for 21 days under medical observation. Those measures had an impact on the work of the United Nations and other humanitarian actors. While they were partially relaxed with respect to travellers coming from non-affected countries, they remain in place for those travelling from the Ebola-affected countries and neighbouring States.

E. Right to food

19. The Government has accepted nine universal periodic review recommendations pertinent to the right to food, in particular those concerning ensuring the right to food in a non-discriminatory manner and prioritizing food in its public spending. Nevertheless, during the reporting period, there were continued reports of serious violations of the right to food, with consequences for other human rights, notably the rights to life and health.

20. Despite efforts to achieve agricultural self-sufficiency, food production remained insufficient to adequately meet the nutritional needs of the whole population. In its 2014 annual report, the International Food Policy Research Institute described as "serious" the country's Global Hunger Index score of 16.

21. The most vulnerable, including children, pregnant and lactating women, and the elderly, remain the most affected by malnutrition. One in three children under 5 years of age and almost half of children aged between 12 and 23 months are anaemic, and 28 per cent of pregnant women are undernourished.

22. According to the Ministry of Public Health, the proportion of low-birth-weight newborn babies decreased from 5.2 per cent in 2010 to 4.7 per cent in 2014 thanks to the provision of essential drugs to pregnant women. Also, the Government collaborated with United Nations agencies on programmes addressing the nutritional needs of children and pregnant or lactating women. That included providing funding for the production of fortified biscuits and cereals in local factories around the country. Specific programmes targeting the most vulnerable groups should be strengthened, including by allocating sufficient funding, as they have long suffered from insufficient prioritization in national nutrition policies.

23. Well below average rains from mid-April to early-July in the central and southern "food basket" provinces of the country affected the main rice and maize planting season in 2015. A detailed assessment of crop damage is not yet available, but early official estimates provided by the National Coordinating Committee indicate that only 441,562 hectares of rice crop, or 81 per cent of the planned area of 545,498 hectares, were planted. In addition, 136,245 hectares, accounting for some 31 per cent of the planted area, are reported to have been adversely affected by dry weather. In view of the reductions in the planted area and the expected reduced yields, the Food and Agriculture Organization of the United Nations (FAO) tentatively forecasts the 2015 rice production at 2.3 million tons, 12 per cent below last year's output.

24. In 2014, the World Food Programme and FAO were not invited to conduct a joint assessment with the Government as had been the case in previous years. Data on crops in 2014 therefore came mainly from Government sources. Despite a modest increase in cereal production of 48,700 MT, the Government reported a shortfall of almost 900,000 MT of cereal equivalent in 2014. Post-harvest losses are estimated at 15.56 per cent for rice, 16.65 per cent for maize and 16.35 per cent for wheat and barley.

25. The Government has taken some steps to address the situation. In February 2014, the Supreme Leader, Kim Jong Un, called for technical innovations in farming. Field observations by the United Nations country team appear to confirm that a new system has been rolled out on most farms, but the United Nations has

little information on its functioning. In his New Year's Day address on 1 January 2015, Kim Jong Un called for the fostering of external economic relations and the acceleration of projects for economic development zones.

26. The Government has engaged with the United Nations and international humanitarian actors to develop national strategies for disaster management. In May 2015, the Ministry of City Management made a request to the United Nations for water, sanitation and hygiene relief items for drought-affected areas in the Hwanghae Provinces.

F. Right to health

27. Among the universal periodic review recommendations accepted by the Government, at least 14 were pertinent to the right to health. For instance, the Government agreed to increase health expenditure, to strengthen health services through better training of medical personnel, to take measures to implement effectively a medium-term strategy for health, and to implement a reproductive health strategy to reduce mortality in line with the Millennium Development Goals.

28. In the mid-term review of the Medium-term Strategic Plan for the Development of the Health Sector in the Democratic People's Republic of Korea 2010-2015, conducted in 2014, the Government confirmed its political and financial commitment to health development. However, the funds allocated appear insufficient to cover basic needs, including essential drugs, good quality antenatal care, immunization and emergency assistance. The quality of care and services in health facilities does not meet international standards, with a shortage of basic life-saving services, premises and essential medical equipment. In addition, treatment protocols remain outdated and inadequate.

29. In order to tackle the insufficient training of household doctors and hospital staff, a new midwifery curriculum that meets international standards was introduced in 2014 and teachers were trained. It is hoped that the curriculum will be extended in the course of 2015 throughout the country. The Ministry of Public Health and the Commission of Education have committed themselves to increasing the number of nurses and midwives, but progress will heavily depend on additional budgetary allocation from the Government and on funding from development partners.

30. The Ministry of Public Health started publishing annual health reports to show progress towards achieving the Millennium Development Goals. The country is not on track to achieve Goal 4, given an infant mortality rate of 22/1,000 live births, an under-5 mortality rate of 27/1,000 live births and a neonatal mortality rate of 15/1,000 live births. The current rate of maternal mortality is 87/100,000 births, which is higher than the country's Millennium Development Goal target of 50/100,000.[1] The lack of essential emergency obstetric and neonatal services, coupled with the poor quality of reproductive and maternal health services, remains a challenge.

[1] United Nations Inter-agency Group for Child Mortality Estimation, Report 2014: Levels and Trends in Child Mortality.

G. Rights of the child

31. The Government accepted 13 universal periodic review recommendations relating to the rights of children and access to education, and committed itself to implementing its National Action Plan for Education by 2015. The Government also made more general commitments to provide means and resources for children with disabilities to enjoy the right to education. With the support of the United Nations Children's Fund, the Government has been preparing its periodic report on the implementation of the Convention on the Rights of the Child, with the aim of submitting it in October 2015.

32. In its national report for the second universal periodic report, in 2014, the Government indicated that, in December 2012, it had promulgated a law on the protection and promotion of children's rights, to safeguard their social life, education and health. The Government stated that the law on the nursing and upbringing of children provided for free public upbringing and education through baby homes and boarding schools, as well as for cultural and scientific rearing through educational institutions at different levels, and for developing the capacity of nursery management and kindergarten teachers. The Government referred to an ordinance on support for 12 years of free and compulsory education. However, in the absence of regular reporting and specific information, the situation of children's rights remains unclear and it is difficult to assess whether the education system meets the best interests of the child.

33. The education system is not fully inclusive, as orphans, children without primary caregivers and children with special needs are taught separately from the mainstream school system, in boarding and special schools, with a different curriculum and duration of schooling. The Government is encouraged to review its policy of institutionalized care for certain categories of children and to bring it into line with international practices and norms on inclusive education.

H. Rights of persons with disabilities

34. The Democratic People's Republic of Korea signed the Convention on the Rights of Persons with Disabilities in 2013, and in 2014 the Government accepted two universal periodic review recommendations to enhance the enjoyment of economic, social and cultural rights by children with disabilities.

35. Yet, there are reports that persons with disabilities face challenges and discrimination. For example, children with sensory disabilities are educated in special schools, for 9 years, while in other schools, education is compulsory for 12 years. The curriculum of the special schools focuses on vocational skills, without any provision of career options. There are no preschools and no facilities for higher education for persons with disabilities. Also, there are no official physiotherapists trained in the Democratic People's Republic of Korea that can manage and deal with the rehabilitation of persons with disabilities.

36. The increased recognition of the rights of persons with disabilities signalled by the Government in signing the Convention on the Rights of Persons with Disabilities provides an opportunity for it to collaborate with the United Nations and other international partners to better support the most vulnerable people. The Secretary-General encourages the Government to promptly ratify the Convention, to

develop a national strategy to bring laws and policies into line with the Convention, and to establish structures to facilitate its effective implementation.

I. Rights of women

37. The Government accepted 11 universal periodic review recommendations relating to women's rights. In particular, it committed itself to taking immediate measures to ensure gender equality, encourage the increase of women's participation in public life, combat violence against women and strengthen efforts to combat human trafficking, especially of women and children.

38. According to national statistics, the Democratic People's Republic of Korea has achieved significant results in the area of gender equality and women's empowerment in a relatively short period of time. Gender parity would thus have been achieved in education, employment and access to health care. However, the United Nations has not seen sufficient evidence to substantiate that claim.

39. In tertiary education, the enrolment rate for women represents 17 per cent of the total number of enrolments, including in technical universities. Furthermore, women tend to be clustered in what are traditionally considered as appropriate fields of study for females, such as education, health, welfare and services. While women comprise 47.8 per cent of the work force, they generally hold less technical and more administrative functions.

40. Although women have had equal rights by law to participate in political life since 1945, only 6 out of 240 cabinet members have been women.

J. Impact of economic sanctions on the work of United Nations agencies in the Democratic People's Republic of Korea

41. The United Nations and unilateral sanctions imposed on the Democratic People's Republic of Korea clearly do not apply to humanitarian assistance, but they have had an unintended and indirect negative impact on vulnerable people. The capacity of the United Nations to deliver vital assistance in a timely and effective manner has been reduced owing to operational constraints caused by the sanctions, including delays in the procurement and transportation of essential supplies; additional documentation required for procurement; inability to import specific technical equipment or materials from certain countries; and delays in port clearance.

42. The imposition of sanctions has also had a negative impact on the United Nations ability to raise funds for lifesaving activities. The United Nations urgently needs $111 million in 2015 to fund its humanitarian operations to address the protracted and serious needs. Financial sanctions on the Foreign Trade Bank of the Democratic People's Republic of Korea in March 2013 also resulted in periods of severe cash shortage, most recently between March and September 2014, due to the suspension of banking channels. As a consequence, United Nations agencies were forced to suspend certain programmatic activities and prioritize lifesaving activities, such as the provision of essential medicines, vaccines, food and nutritional supplements.

III. United Nations engagement concerning the human rights situation in the Democratic People's Republic of Korea

43. Despite some unprecedented signs of engagement by the Government of the Democratic People's Republic of Korea with the United Nations in 2014, it eventually suspended discussions on possible engagement and cooperation on human rights.

A. Intergovernmental bodies

44. During the reporting period, the General Assembly and the Human Rights Council adopted resolutions on the human rights situation in the Democratic People's Republic of Korea.

45. On 18 December 2014, the General Assembly adopted resolution 69/188, in which it decided to submit the report of the commission of inquiry on human rights in the Democratic People's Republic of Korea to the Security Council. In particular, the Assembly encouraged the Security Council to consider referring the situation in the Democratic People's Republic of Korea to the International Criminal Court and to consider the scope of targeted sanctions against those who appeared to be responsible for acts which, according to the commission of inquiry, might constitute crimes against humanity.

46. Further to the General Assembly debate, the Security Council for the first time decided to include the situation of human rights in the Democratic People's Republic of Korea on its agenda, and discussed it on 22 December 2014, paving the way for future briefings and discussions on human rights developments in the country. The Assistant Secretary-General for Political Affairs and the Assistant Secretary-General for Human Rights briefed the Council on that occasion.

47. On 3 March 2015, the Minister for Foreign Affairs of the Democratic People's Republic of Korea addressed the Human Rights Council, which was unprecedented. He reiterated his Government's objections to the commission of inquiry and to the resolutions of the Human Rights Council and the General Assembly on the situation of human rights in the Democratic People's Republic of Korea. On that occasion, the Minister met with the High Commissioner for Human Rights, the first meeting ever between a high-level official from the Democratic People's Republic of Korea and a High Commissioner.

48. On 27 March 2015, the Human Rights Council adopted resolution 28/22 on the situation of human rights in the Democratic People's Republic of Korea, in which it condemned in the strongest terms the systematic, widespread and gross human rights violations and other human rights abuses committed in the country, and welcomed the Security Council's decision to add that situation to its agenda. The Human Rights Council requested the Office of the High Commissioner to present an oral update at its thirtieth session, in September 2015, and a comprehensive report at its thirty-first session, in March 2016, on the role and achievements of the Office, including the field-based structure, with respect to the situation of human rights in the Democratic People's Republic of Korea. In addition, the Human Rights Council decided to convene at its thirtieth session a panel discussion on that situation,

including the issue of international abductions and enforced disappearances and related matters.

B. Office of the United Nations High Commissioner for Human Rights

49. In May 2015, the Government of the Republic of Korea and OHCHR concluded an interim host country agreement for the establishment of the field-based structure of OHCHR in Seoul, hereinafter OHCHR (Seoul). The Seoul municipal government agreed to host the structure, which was inaugurated on 23 June 2015 by the High Commissioner for Human Rights.

50. The establishment of OHCHR (Seoul) resulted from a recommendation contained in the report of the commission of inquiry on human rights in the Democratic People's Republic of Korea, and it was set up on the basis of paragraph 10 of Human Rights Council resolution 25/25 to follow up urgently on the recommendations made by the commission of inquiry in its report, and to provide the Special Rapporteur on the situation of human rights in the Democratic People's Republic of Korea with increased support.

51. OHCHR (Seoul) is specifically mandated to strengthen monitoring and documentation of the situation of human rights in the Democratic People's Republic of Korea, to ensure accountability, to enhance engagement and capacity-building with the Governments of all States concerned, civil society and other stakeholders, and to maintain the visibility of the situation of human rights in the Democratic People's Republic of Korea, including through sustained communications, advocacy and outreach initiatives.

52. OHCHR (Seoul) is funded from the regular budget of the United Nations and has six staff members.

53. On the occasion of the inauguration of the office, the High Commissioner launched the official website of OHCHR (Seoul), available in English and Korean at seoul.ohchr.org. In order to raise awareness of the situation of human rights in the Democratic People's Republic of Korea and to engage a broad range of actors and the wider public, OHCHR (Seoul) is engaged on a number of social media platforms. The Twitter account (@UNrightsSeoul) and the Facebook page of OHCHR (Seoul) have already attracted a lot of attention and users, including among the United Nations system, Member States and civil society organizations.

54. With the support of OHCHR (Seoul), some civil society organizations have started conducting mapping exercises to situate individual and institutional responsibilities for the grave violations that the commission of inquiry documented. Also with OHCHR assistance, global advocacy organizations have organized campaigns to raise public awareness about the findings of the commission and have helped set up a network of experts and campaigners, particularly in youth communities, who will benefit from technical support, the exchange of best practices and advocacy initiatives with OHCHR (Seoul).

55. On 17 September 2014, at a meeting with the High Commissioner, the Permanent Representative of the Democratic People's Republic of Korea to the United Nations Office at Geneva expressed his Government's interest in benefiting from OHCHR technical assistance. Subsequently, OHCHR and the Permanent Mission held several working-level meetings to explore the possible scope and areas

of technical cooperation. Furthermore, OHCHR sought to regularly update the Democratic People's Republic of Korea on the steps taken to implement Human Rights Council resolution 25/25.

56. However, in late December 2014, following the adoption of General Assembly resolution 69/188 and the Security Council's meeting on the human rights situation in the Democratic People's Republic of Korea, the Government announced the suspension of its dialogue with OHCHR on technical assistance. The Minister for Foreign Affairs confirmed that decision to the High Commissioner in March 2015, as well as in a letter to the High Commissioner dated 24 July, in which he reiterated that his Government did not intend to cooperate with OHCHR (Seoul).

57. Furthermore, a State body, the Committee for the Peaceful Reunification of Korea, issued public statements on 27 May and 25 June 2015 threatening retaliation against OHCHR (Seoul). In a letter dated 14 July 2015, the High Commissioner expressed grave concern regarding those repeated threats and reminded the Government of its obligations under the Charter of the United Nations to protect the United Nations, its staff members and assets. The High Commissioner also emphasized that OHCHR (Seoul) would work with full independence, in accordance with the mandate provided by Human Rights Council resolution 25/25. He urged the Government to consider engaging with OHCHR constructively. The Secretary-General recalls that, in paragraph 10 of its resolution 69/188, the General Assembly called upon Member States to undertake to ensure that the field-based structure of the Office of the High Commissioner could function with independence, that it had sufficient resources and that it was not subjected to any reprisals or threats.

58. The Secretary-General welcomes the inauguration of OHCHR (Seoul) as it has an important role to play, including with a view to ensuring accountability, which is fundamental for achieving reconciliation and long-term security on the Korean Peninsula. The Secretary-General urges the authorities of the Democratic People's Republic of Korea to engage with the international community to improve human rights and the living conditions of its population. In particular, the Secretary-General encourages the Government to consider positively the OHCHR offer of technical cooperation.

C. Human rights mechanisms

59. The Democratic People's Republic of Korea is a party to four of the major international human rights treaties: the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the Convention on the Elimination of All Forms of Discrimination against Women and the Convention on the Rights of the Child. In November 2014, the Government ratified the Optional Protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography. In September 2014, the Government accepted universal periodic review recommendations to expedite the ratification of the Convention on the Rights of Persons with Disabilities, which it had signed in July 2013.

60. The Government accepted universal periodic review recommendations to submit reports to United Nations human rights treaty bodies, notably the Committee on the Rights of the Child and the Committee on the Elimination of All Forms of Discrimination against Women. The Government's commitment to further engage

with the treaty bodies would complement its acceptance of a number of universal periodic review recommendations concerning the rights of children, women and persons with disabilities.

D. United Nations entities operating in the Democratic People's Republic of Korea

61. As noted in the previous report of the Secretary-General on the situation of human rights in the Democratic People's Republic of Korea (A/69/639), the Government's acceptance of universal periodic review recommendations made in January 2010 and September 2014 provides important entry points for dialogue and cooperation on human rights.

62. In its 2014 universal periodic review, the Government accepted four recommendations concerning its cooperation with international organizations and committed itself to working closely with humanitarian agencies to ensure their free and unimpeded access to all populations in need and provide them with satisfactory monitoring conditions. Such an improvement in operating conditions would be essential for the United Nations to obtain a more comprehensive understanding of the situation and needs in the country and to refine the programming of its activities.

63. However, during the reporting period, the United Nations system in the Democratic People's Republic of Korea continued to operate under significant constraints imposed by the Government. Lack of free access to most parts of the country and to the general public, including vulnerable populations, and limited ability to collect independent data have considerably hampered the work of United Nations agencies, preventing them from developing programmes commensurate with actual needs and from evaluating the impact of their work, and obstructing the delivery of assistance.

64. The Government took small steps towards improving access to data by the wider international community, including the United Nations, through ad hoc and periodic surveys and assessments, particularly regarding sociodemographic information. The Secretary-General hopes that further efforts will be made by the Government to facilitate United Nations access to information which is essential for the development and implementation of adequate programmes to improve the life of people in the Democratic People's Republic of Korea.

65. In March 2015, the United Nations Strategic Framework Steering Committee endorsed a road map for the development of the next strategic framework (2017-2021). It affirmed the United Nations country team's role to support and advocate national priorities, including the Government's commitments to the Millennium Development Goals, the Sustainable Development Goals and other internationally agreed norms and standards. The five programming principles of a human rights-based approach, gender equality, environmental sustainability, results-based management and capacity development should be integrated into a joint framework tailored to the country context.

IV. Conclusions

66. The Secretary-General welcomes efforts within the United Nations to follow up on the findings of the commission of inquiry, which exposed the need for profound structural reforms in the Democratic People's Republic of Korea to promote and protect the rights of the population. The Secretary-General especially welcomes the establishment of OHCHR (Seoul) and urges the Government of the Democratic People's Republic of Korea, all Member States, civil society and other stakeholders to work constructively with the United Nations to promote and protect human rights in the country. In particular, the Secretary-General strongly encourages the Government of the Democratic People's Republic of Korea to resume dialogue with OHCHR. The Secretary-General also welcomes the intention of the Government to submit a report on its implementation of the Convention on the Rights of the Child in October 2015, in line with its universal periodic review commitments. He encourages the Government to submit its other overdue reports to the United Nations human rights treaty bodies, including the Human Rights Committee, the Committee on Economic, Social and Cultural Rights and the Committee on the Elimination of Discrimination against Women.

67. The Secretary-General calls on the international community to make all possible and reasonable efforts to ensure that the systematic, widespread and grave human rights violations described in the report of the commission of inquiry are brought to an end, and that those responsible for crimes are held to account. Efforts to engage the Government of the Democratic People's Republic of Korea to improve the human rights situation in the country must go hand in hand with efforts to hold perpetrators of crimes accountable. In that regard, placing the situation in the Democratic People's Republic of Korea on the list of issues of which the Security Council is seized constitutes a significant development.

V. Recommendations

68. **The Secretary-General recommends that the Government of the Democratic People's Republic of Korea:**

(a) **Translate its commitments under the universal periodic review into concrete follow-up measures, in order to improve effectively the human rights situation throughout the country;**

(b) **Accept and implement more of the recommendations made by international human rights mechanisms, including treaty bodies;**

(c) **Invite the Special Rapporteur on the situation of human rights in the Democratic People's Republic of Korea and other independent human rights mechanisms to visit the country;**

(d) **Engage constructively with the United Nations system, including OHCHR and its office in Seoul, and seek technical assistance from OHCHR;**

(e) **Consider the findings and recommendations of the commission of inquiry and engage with the international community towards their implementation;**

(f) Engage meaningfully with all Member States concerned for the resolution of international abductions and enforced disappearances;

(g) Provide unimpeded access to United Nations and humanitarian agencies to enable them to respond adequately to the needs of the population.

69. The Secretary-General recommends that the international community:

(a) Consider appropriate follow-up action to the report of the commission of inquiry, as called for in Human Rights Council resolutions 25/25 and 28/22, and General Assembly resolution 69/188;

(b) Step up the provision of adequate and sustainable funding for humanitarian assistance, especially food and medicine, with a view to improving the humanitarian conditions and the human rights situation;

(c) Seek to minimize the adverse humanitarian consequences of sanctions imposed on the Democratic People's Republic of Korea by extending full support to the United Nations agencies working on the ground.

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Proposed programme budget for the biennium 2016-2017

Second annual progress report on the strategic heritage plan of the United Nations Office at Geneva

Report of the Secretary-General

Summary

The Secretary-General has the honour to submit his second progress report on the planning and implementation of the strategic heritage plan, pursuant to section III of General Assembly resolution 69/262.

Several key project tasks have been accomplished during this reporting period, including: (a) completion of in-depth site assessment and surveys; (b) confirmation of the project scope; (c) completion of the design master plan and feasibility study; (d) completion of the concept design; and (e) completion of a revised cost estimate based on the aforementioned tasks.

The present report provides a comprehensive overview of the work and the information requested by the General Assembly in its resolution 69/262, including on the proposed governance framework. It also provides revised cost estimates for the project and information on the results of the negotiations with the host country in relation to the loan package offer, as well as on possible alternative funding mechanisms, including utilization of future rental income and valorization of United Nations-owned land.

The Secretary-General is pleased to report that the feasibility of the project has been confirmed and is proceeding in accordance with the time, cost and scope targets described in his previous report (A/69/417). In order to ensure that the project proceeds within the current cost estimates and proposed schedule, it is recommended that the General Assembly approve the project this year.

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The General Assembly is requested: (a) to approve the project scope, schedule and estimated cost in the total amount of CHF 836.5 million (of which CHF 41.2 million is projected expenditure under the regular budget for the biennium 2014-2015); (b) to make a decision on the loan package offered by the host country; and (c) to decide on the scheme of appropriation and currency of assessment. The Assembly is also requested to establish a multi-year special account for the accounting of the project and a working capital reserve in the amount of $20 million.

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I. Introduction

1. The present progress report is submitted pursuant to section V of General Assembly resolution 68/247 A and section III of its resolution 69/262.

2. The project continues to be implemented in accordance with the previously reported project objectives, addressing key health and safety deficiencies, and working towards providing modern, functioning conference and office facilities that will meet the current and future requirements of the United Nations and its Member States. The recently completed feasibility study of the project confirmed the recommended implementation strategy (c), as outlined in the report of the Secretary-General (A/68/372, para. 35), which includes the renovation of the Palais des Nations building complex and the replacement of the building E office tower with a new building to be constructed adjacent to the location of the current building E.

3. The present report highlights the fact that the cost estimates for the project have been reduced from an overall project cost of CHF 837 million to CHF 836.5 million. This amount has been adopted by the project as a maximum cost to be used to further develop the design for the project.

4. The project timeline has been reconfirmed, entailing the commencement of the construction of a new building in 2017, followed by the renovation of the historic buildings of the Palais des Nations, to be started not later than 2019, with overall project completion scheduled for 2023.

5. The present report summarizes the planning and related actions for the project to date and presents an update on:

(a) A revised proposal with regard to the governance and oversight framework;

(b) The establishment of the dedicated project management team, dedicated operational experts, contracted external expertise and consultancy services;

(c) Project progress;

(d) Flexible workplace strategies;

(e) Measures to eliminate physical, communications and technical barriers to persons with disabilities;

(f) The outcome of the follow-up with the relevant authorities in the host country on the application of construction standards;

(g) A revised schedule of works;

(h) Actions to start and complete the works at the earliest opportunity;

(i) The application of lessons learned;

(j) The revised overall cost estimates of the strategic heritage plan based on the latest survey, analysis and design information.

6. A revised description of project financing matters has been provided to include information from the host country on the terms and modalities of possible loan arrangements for the project. It sets out information on the anticipated expenditure profile, including funding mechanisms, donation policy and income from rent, valorization options and other income-generating activities which could be factored

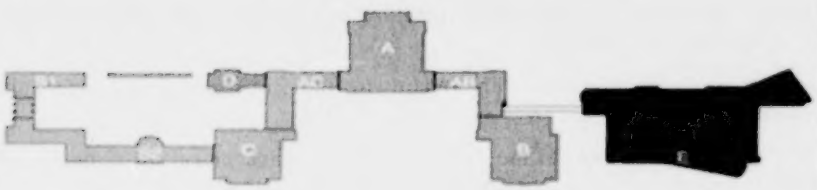
into the comprehensive plan for the financing of the project. With regard to the possible loans, the Government of Switzerland has stated that in order to obtain the funds required in January 2017, the formal application for the loan will need to be submitted in January 2016.

7. Information on other considerations highlighted by the General Assembly in its resolution 69/262 are addressed, including the possibility of attracting additional United Nations entities to the renovated Palais des Nations, donation policy, the strategy to ensure that works of art, masterpieces and other gifts are handled appropriately during the works, the reuse of existing furniture and parking.

II. Overview of the Palais des Nations building complex

8. The Palais des Nations, originally built for the League of Nations, was completed in 1937, expanded in the 1950s with additional office space and expanded again in the 1970s to include a new building with both office and conference spaces. The complex contains 34 major conference rooms, 2,800 workspaces and 222 touchdown workspaces for conference participants. An overview of the complex is illustrated in figure 1 below.

Figure 1
Schematic overview of Palais des Nations building complex



III. Proposed project governance

9. The General Assembly, in section III of its resolution 69/262, requested the Secretary-General to revise and further develop options for the governance and oversight structure for the strategic heritage plan. Accordingly, the Secretary-General has reviewed various options and the lessons learned, included in the Board of Auditors paper, entitled "Lessons from the United Nations capital master plan", and has revised the proposed governance arrangements. The key components of the proposed governance framework are as follows:

(a) The Director-General of the United Nations Office at Geneva, as project owner;

(b) The Director of Administration of the United Nations Office at Geneva;

(c) The Project Director;

(d) The Advisory Board;

(e) The Steering Committee;

(f) The independent risk management firm.

10. The Director-General of the United Nations Office at Geneva is the overall project owner and is supported by the Advisory Board, the Steering Committee and the independent risk management firm. He provides guidance and direction, through the Director of Administration, to the Project Director and the dedicated project management team. The Director-General acts as Chair of the Steering Committee. He approves proposed funding requests to be presented to the General Assembly and approves changes affecting project scope, budget and timeline, subject to consultation with the Steering Committee. He also has a leading role in communication with donors.

11. The Director of Administration is responsible for providing strategic and administrative guidance to, and oversight of, the Project Director and team. He will interact with the United Nations intergovernmental and oversight bodies, as well as key external stakeholders, such as the Government of Switzerland and representatives of Member States. The Director of Administration will approve resource requests; review all reports to be sent to the Steering Committee and to governing bodies; and monitor and evaluate the performance of the Project Director and the project team.

12. The Project Director has overall responsibility for the day-to-day performance of the project team and the delivery of the project. Specifically, he is responsible for: (a) the execution of the full scope of project deliverables on time, within the established budget and according to agreed objectives, benefits and quality levels; (b) the allocation of financial and human resources; (c) reporting project progress to the Director of Administration and the Steering Committee; (d) reporting and managing the resolution of project risks, opportunities and current issues; (e) managing project changes; and (f) liaising with representatives of internal stakeholders of the project. In addition, the Project Director will manage the commissioning and handover process of the renovated and constructed premises.

13. The input from the internal stakeholders of the project at the United Nations Office at Geneva will be coordinated by the Director of Administration and the stakeholders are responsible for providing their operational requirements to the strategic heritage plan in alignment with the objectives of the United Nations.

14. The proposed Advisory Board shall provide independent and impartial advice to the Director-General of the United Nations Office at Geneva as project owner for issues arising during the course of the project, focusing on ensuring that the project meets its approved objectives. The Board shall make written recommendations to the Director-General.

15. It is proposed that the Director-General would select a Chairperson from among the senior representatives of Member States in Geneva and would appoint the members of the Advisory Board in consultation with the Chairperson. They will be drawn from different geographical regions to ensure that the membership reflects the widest possible geographical representation.

16. It is proposed that the Advisory Board would consist of six representatives of Member States in Geneva, including the Chairperson. Support for its work will be provided to the Board by ex officio members, including a senior representative from the host country, the Department of Management at United Nations Headquarters, the Director of Administration of the United Nations Office at Geneva, the Project Director of the strategic heritage plan and an adviser from the Office of Central Support Services in the Department of Management.

17. It is proposed that each member would serve in his or her personal capacity for a period of two years, with the possibility of renewal. If a member withdraws from the Advisory Board, or is unable to continue being part of it, the Director-General, in consultation with the Chairperson, will appoint a substitute to fill the position, taking due consideration of geographical representation.

18. The Advisory Board will meet quarterly. However, special meetings may be convened should the need arise.

19. The General Assembly, in its resolution 69/262, requested that governance structures be established as early as possible. Accordingly, a provisional Advisory Board has been assembled and a provisional Chairperson has been appointed. The first meeting of the provisional Advisory Board was held in September 2015. The membership included the following representatives of Member States, as nominated from the Chairs of the regional groups: Mozambique (African States); Indonesia (Asia-Pacific States); Slovenia (Eastern European States); Bahamas (Latin American and Caribbean States); and Spain (Western European and other States). In addition, Jorge Lomónaco, Permanent Representative of Mexico, is serving as provisional Chairperson.

20. The Steering Committee shall provide oversight of the project and its implementation, and provide support to the Director-General in the performance of his function as project owner by providing advice and guidance on required decisions and other issues that may arise during the course of project design and construction. It is proposed that the Committee would oversee and monitor the overall performance of the project in terms of cost, budget and quality based on the agreed overall project scope and the decisions of the General Assembly. The Committee shall provide advice on requests for changes in scope and provide guidance to the project owner to assist him in ensuring that the project meets its key objectives.

21. As proposed in paragraphs 43 and 44 of the previous report of the Secretary-General (A/69/417), the Steering Committee is comprised of the heads of departments or their appointed representatives, as well as representatives from leading departments and offices in Geneva and New York with a direct operational interest in the project.

22. A Steering Committee has been established and met twice in 2015. It is proposed that the Committee would continue to meet on a quarterly basis, ending the quarter following the completion of the strategic heritage plan project. Additional meetings may also be convened should significant issues arise that cannot wait for the regularly scheduled meetings.

23. In section III, paragraph 15, of resolution 69/262, the General Assembly emphasized the importance of ensuring independent project assurance for the strategic heritage plan. To this effect, an independent risk management firm was engaged as of 2012 to provide an independent assessment on the course of the various project actions, support the delivery of informed decision-making, bring expertise to the project and assist in independently identifying and mitigating any risks which may have an impact on the successful delivery. The risk management firm has worked with the project team to develop the overall risk management strategy as part of the robust integrated approach to risk management being used on the project. The firm provides regular, independent assessment to the Project Director, the Director of Administration and the project owner.

IV. Progress

24. The General Assembly, in resolution 69/262, decided to appropriate additional funding, which would be used for planning and related actions in 2015, as described in section VII of the previous report of the Secretary-General (A/69/417). In addition, the Assembly, in resolution 68/247 A, approved implementation strategy (c), as proposed in the report of the Secretary-General (A/68/372), for planning and design purposes, with the aim to renovate the Palais des Nations, including the replacement of the building E office tower, which is to be dismantled and replaced with a new building. This new building would be constructed at a location adjacent to the location of the current building E.

25. In-depth surveys have been completed as part of the feasibility (fact-finding) stage of the design. These surveys provided essential information for the development of the concept design and detailed cost estimate, and included information on the following matters: (a) topography; (b) geotechnics; (c) hazardous materials; (d) structural materials testing; (e) accessibility; (f) heritage; (g) conveying systems (elevators); (h) acoustics; (i) existing mechanical, electrical, audiovisual, broadcast, security, fire alarm and plumbing systems; and (j) existing archival and as-built documentation review.

26. The project continues to be implemented in accordance with the previously established key project objectives to provide modern, functioning conference and office facilities to support the current and future requirements of the United Nations and its Member States. The following activities have been completed:

(a) The dedicated project management team and dedicated operational experts were appointed;

(b) Consultancy contracts for design, programme management and risk management services were issued;

(c) The design master plan and feasibility study were completed;

(d) The concept/schematic design was completed;

(e) Flexible workplace strategies were developed;

(f) Measures to eliminate physical, communications and technical barriers to persons with disabilities were developed;

(g) The schedule of works was revised;

(h) Actions to start the works at the earliest opportunity were identified;

(i) Lessons learned were incorporated.

27. The project is progressing on schedule. The concept design has been completed and provides the basis for the revised project cost estimate. The risks associated with the project have been extensively reviewed and analysed, and appropriate mitigation strategies have been developed to include adjustments in the allocation of contingency funds. The planning and design efforts to date have confirmed that the project objectives can be met within the budget of CHF 836.5 million and in accordance with the time frame in line with the report of the Secretary-General (ibid.) for completion by the end of 2023.

A. Status of the establishment of the dedicated project team

28. In resolution 68/247 A, the General Assembly approved resources for the continuation of two existing positions and the establishment of an additional nine dedicated project management team positions and one dedicated operational expert position. Moreover, the Assembly, in resolution 69/262, approved the establishment of seven additional positions: three dedicated project management team positions and four dedicated operational experts.

29. All 19 approved positions were duly classified and advertised, and the recruitment has been completed.

B. Status of the contracted services

30. The Secretary-General, in his previous report (A/69/417), anticipated that the lead design and specialized design firm would be appointed and start work no later than the last quarter of 2014. Accordingly, this firm was selected competitively and the works started in October 2014.

31. In line with the activities approved for 2015, the contracts for the previously competitively selected contracted services for programme management and risk management have been extended through 2015. With the support of these contractors, the dedicated project management team is managing the project activities to ensure compliance with the overall project objectives.

32. In resolution 69/262, the General Assembly decided to appropriate additional funding that enabled the establishment of contractual external expertise to supplement the project team in the general fields of design, construction and programme and project management support, and in the specific technical areas of space planning and programming, conference congress systems, energy savings and management systems, and historical preservation. These services may be required on short notice and for short- to medium-term assignments through contracted external expertise. The dedicated project team of the strategic heritage plan prepared a detailed scope of work for these requirements, which formed the basis for the comprehensive international competitive request for proposal. The tendering phase is currently ongoing.

C. Design master plan and feasibility study

33. The feasibility study and associated site surveys (e.g., structural, geotechnical, hazardous materials) confirmed the need for and the technical feasibility of implementation strategy (c) for planning and design purposes. This strategy includes the comprehensive renovation of the Palais des Nations building complex, the construction of a new permanent building and the dismantling of the upper seven floors of the building E office tower. It should be noted that while the renovations in the existing buildings are extensive and will provide critical upgrades to the facility, they will not require the full demolition of the facility down to the structural frame that was necessary in the capital master plan project at United Nations Headquarters. Much of the work for the strategic heritage plan in the existing buildings will be on infrastructure not readily visible to staff and visitors after completion, and the work that involves major physical changes to the buildings will

be carried out in ways that respect the building's heritage and will therefore be designed to be as subtle as possible. However, this does not mean that the level of risk associated with the strategic heritage plan is any less than the capital master plan renovation work.

34. The design master plan and feasibility study addressed the following:

(a) Analysis and confirmation of the existing conditions of the Palais des Nations and building E;

(b) Identification of the relevant building regulations and codes to be applied to the project;

(c) Analysis of the current urban context to establish the appropriate access to the buildings in relation to the available infrastructure of the City of Geneva;

(d) Circulation and flow strategy within and outside the buildings;

(e) Current accessibility constraints and future strategies for the compound;

(f) Heritage strategy for the buildings;

(g) Conferencing and audiovisual requirements;

(h) Existing commercial activities location;

(i) Support space requirements;

(j) Existing mechanical, electrical and plumbing material and equipment;

(k) Interior space utilization and requirements.

35. Significant functional deficiencies have been identified in the Palais des Nations, mainly with respect to typical office spaces, which currently lack ancillary and support spaces necessary in a modern working environment. In addition, while some of the historic conference room interior spaces were renovated prior to the implementation of the strategic heritage plan, including being equipped with modern audiovisual and congress/simultaneous interpretation equipment, most were not and therefore require renovation and upgrading.

36. Major deficiencies have been confirmed within the building E office tower and its replacement continues to be recommended. Specific deficiencies include:

(a) Fire code compliance, specifically with regard to compartmentalization, is lacking throughout. Heavy fire brigade vehicles have only limited access owing to the limited load-bearing capacity of the underground car park;

(b) Building services non-compliance with current regulations (e.g., the old electrical cables will release toxic fumes in the event of a fire);

(c) The elevators are undersized, insufficient in number and not in line with international standards or accessibility codes. To rectify this deficiency, invasive alterations to the vertical transportation cores of the building are needed, which would require significant structural modifications at each level of the building, especially at structural transfer level four;

(d) Achieving compliance with accessibility codes would require significant alterations to a number of spaces, such as restrooms and fire escapes, which would result in a significant reduction of available office floor area;

(e) The replacement of the existing mechanical, electrical and plumbing systems in line with current building standards would result in a floor to finished ceiling height significantly below industry standards, leaving the workplace with very low ceilings in many of the main circulation areas;

(f) The exterior walls have deteriorated and do not comply with environmental and energy standards. A comprehensive replacement would be required.

37. As described in the report of the Secretary-General (A/68/372), the costs to renovate the building E office tower and to build temporary swing space to do renovations throughout the Palais have been calculated to be significantly greater than the construction of a new permanent building, which would be used as temporary swing space prior to permanent occupancy. In addition, renovating the building E tower would result in a building with reduced overall floor areas, a fact that would not allow the project to meet its objective to increase office space efficiency by 25 per cent. The construction of a new permanent building and demolition of the building E tower was reconfirmed as the most cost-effective solution and was included in the concept design accordingly. The new permanent building provides the same approximate amount of office area as the area dismantled in the building E office tower but affords a 25 per cent increase in office space through a more efficient, standardized and equitable use of space.

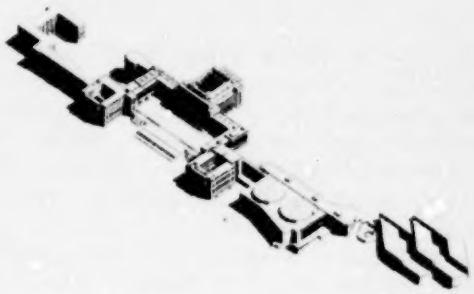
D. Concept/schematic design

38. The completed concept/schematic design, built on the implementation plan and feasibility study, provided the basis for the revised detailed cost estimate.

39. The design included architectural and technical details for the new construction and renovation works in line with the established project objectives, to include: (a) the shape and size of the buildings; (b) the accessibility concept; (c) the workplace configuration and space layouts; (d) the fire safety concept; (e) the structural concept for the new building; (f) the electrical, mechanical and low voltage systems; (g) the information technology and broadcast systems; and (h) the energy concept.

40. The scheme for the new building responds to the geometry of the adjacent campus while respecting the local topography and vegetation. It is a respectful and modern addition to the skyline of the area. The design optimizes the occupants' access to daylight and meets the project's safety, accessibility and sustainability objectives. A schematic representation of the Palais des Nations building campus, inclusive of the new building, is indicated in figure 2 below.

Figure 2
New office building to replace the building E tower (located adjacent to the existing conference building E)



E. Flexible workplace strategies and space standards

41. In line with section III, paragraph 23, of resolution 69/262, the Secretary-General acknowledges section VII, paragraph 10, of resolution 69/274 A, adopted by the General Assembly to incorporate flexible workplace strategies in the ongoing design of the strategic heritage plan. In the current reporting year, as part of the concept design, the strategic heritage plan team, with the assistance of the design firm, has analysed the physical implementation and feasibility of flexible workspace within the new and existing buildings.

42. The report of the Board of Auditors (A/69/5, vol. V) and the report of the Secretary-General (A/69/749) indicate that the successful implementation of a flexible workplace strategy requires in-depth studies on the working environment and work styles, significant change management initiatives and a visible commitment from senior management. The strategic heritage plan is using these concepts as the basis for a suitable flexible workspace strategy tailored to the United Nations Office at Geneva.

43. The application of flexible workplace strategies at the Palais des Nations is different in the new building as compared to the existing buildings owing to the physical, heritage and cost constraints in the existing buildings.

44. In the new building the concept design provides a workplace that is more efficient and flexible than what is possible in the existing buildings. It uses a modular approach to open office space that is easy to change and provides a "kit of parts" approach to work, collaboration and support spaces that makes it possible to adapt the workplace to the functional requirements of specific work units and workplace policies as they change over time. The "kit of parts" will provide a broad range of possibilities to include options that support flexible working arrangements and free addressing of work stations for those work units that find this approach best suited to their functional requirements.

45. In the existing buildings the design of the workplace also provides some flexibility, much needed support and collaboration spaces, and a more efficient use of the space available while working around constraints that do not exist in the new

building, to include heritage sensitivities, existing structural dimensions and the costs associated with modifying buildings that are more than 80 years old. The solution for the existing buildings will therefore be a hybrid approach, where some walls will be removed to convert to open office space, some offices will be retained for double or single occupancy and collaboration and support spaces will be added throughout.

46. The workplace design was developed using the United Nations space guidelines for office, support and collaboration space benchmarks, and local building codes for standards on ergonomics, daylight and other factors, such as the well-being of staff. Consultations were held with staff through focal groups, meetings and surveys to better understand the functional requirements, including adjacencies, for the various entities. Space allocation by section was then determined by the current headcount, taking into consideration the grades of the staff. Actual use of space will be adjusted according to the needs of particular work units. One of the most important outcomes of the analysis is the awareness that there is a serious deficiency of (and a great demand for) internal collaboration and support spaces. The existing buildings do not currently include such spaces, which leads to workplace inefficiency and productivity problems. Most offices in the Palais are shared by two to four persons and, when collaboration is necessary, it tends to create disruption for those in shared offices not directly involved in the teamwork, or the need to hold meetings in public areas, such as the cafeteria.

47. Throughout the new and old buildings, the project will provide the following:

(a) Individual enclosed offices for staff members in the Director and higher categories;

(b) Typically, a shared enclosed office space or open space area for staff members in the Professional category;

(c) Typically, an enclosed office space shared with two or more staff members or a shared open space area for staff members in the General Service category;

(d) Support spaces for meeting, collaboration, touch down and concentration needs.

48. The new building, initially used primarily as a swing space, is being designed to have open workspaces with built-in flexible infrastructure to accommodate the various flexible workspace arrangements. To that end, the flexible workspace strategy and part of the change management initiative will be to provide the various types of working environments and to study and engage the staff regarding their functional work requirements and space utilization. This strategy, in parallel with the lessons learned from the implementation of the ongoing flexible workplace programme at United Nations Headquarters, will be used to develop the final office arrangements and support spaces once the new building is permanently occupied. The utilization of the new building as swing space for most of the population of the Palais provides a unique opportunity to experiment with flexible workplace strategies, identifying those most effective and appropriate for long-term use in the final occupancy configuration.

49. The existing buildings present more of a challenge with regard to future flexible workplace strategies. The renovation of those buildings will change the

existing closed cellular offices to a hybrid layout that includes both closed and open office arrangements. The hybrid approach will clearly improve the functionality of the existing workplace at the Palais des Nations. However, that approach in the existing buildings is constrained by the need for air conditioning and forced ventilation, which are necessary when walls are removed and shared spaces become larger than four of the current offices in size. The addition of central air conditioning to the existing buildings was not contemplated in the original budget and cannot be afforded within the current concept design. Given that the existing buildings will therefore not be as open or flexible as the new building, it will not be as easy to shift to more flexible workplace strategies in the future. That said, because all of the occupants of the existing buildings will have to swing into the new building at some point and will spend a significant amount of time in the fully open office space arrangement, it is expected that lessons will be learned and best practices will be developed by the various sections, which can be implemented in the later detailed design that may further enhance the functionality and efficiency of the existing buildings.

50. This workplace strategy will achieve approximately 25 per cent additional building occupancy overall, as targeted in the project's implementation plan. The majority of the increased space utilization efficiency will be achieved by the new building. Space efficiencies will be gained in the existing buildings through the addition of open spaces and the reorganization and reallocation of individual spaces that have become unevenly distributed over many years. The gains in efficiency from this process will be used to create much needed collaboration and support spaces for staff, which are currently nearly non-existent.

51. The total projected number of workplaces within the Palais des Nations, following the implementation of the strategic heritage plan, will increase from 2,800 to 3,500.

F. Measures to eliminate physical, communications and technical barriers to persons with disabilities

52. In resolution 69/262 A, section III, paragraph 19, the General Assembly requested the Secretary-General to ensure that implementation of the strategic heritage plan takes into account measures to eliminate physical, communications and technical barriers to persons with disabilities, in particular regarding improvement of the conference facilities, with full respect for the provisions of the Convention on the Rights of Persons with Disabilities. In this connection, the Secretary-General confirms that meeting all relevant regulations relating to persons with disabilities, including provisions for accessibility and technology, is one of the key objectives of the strategic heritage plan. Since the previous report, a direct line of communication has been established between the dedicated strategic heritage plan team and design firm with the Committee on the Rights of Persons with Disabilities and with the Task Force on Accessibility of the Office of the United Nations High Commissioner for Human Rights. These open and regular communications helped to ensure that accessibility priorities were identified and universal design principles were fully understood in the early concept stages of the project. Accordingly, the minimum standards recommended for the strategic heritage plan are as follows: (a) the Convention on the Rights of Persons with Disabilities; (b) the Swiss Federal Law on the elimination of inequalities that affect persons with disabilities; (c) Geneva Law L505 on

constructions and various installations, and similar regulations; and (d) the seven principles of universal design (equitable use; flexibility in use; simple and intuitive use; perceptible information; tolerance for error; low physical effort; and size and space for approach and use). Swiss code will be used as the baseline guidance for design, but will be augmented with additional guidance from international codes and standards where they may represent better practice.

53. The strategic heritage plan master plan and concept design, at this stage, includes a complex-wide accessibility survey to assess the existing condition of the buildings, an analysis to establish the areas of non-compliance with the United Nations requirements and a comprehensive plan for accessibility for the Palais. As the design works progress, additional detailed information will be developed and included in the tender documents for construction.

G. Application of construction standards

54. In resolution 69/262 A, section III, paragraph 20, the General Assembly requested the Secretary-General to follow up with the relevant authorities in the host country on the application of construction standards, including the revision of earthquake safety codes. Accordingly, the Secretary-General has reviewed and reaffirmed with the relevant authorities and the strategic heritage plan design firm the applicability of the construction codes and standards in line with the key objectives of the project, namely: (a) fire and life safety; (b) office space guidelines; (c) accessibility; (d) heritage preservation; (e) earthquake safety and heritage preservation. The strategic heritage plan will ensure that the design and future construction works will comply with all relevant health and safety and accessibility regulations, taking into consideration the existing heritage.

H. Revised schedule of works

55. In his report (A/68/372) the Secretary-General states that construction is expected to commence in early 2017, with the overall renovations programme to be completed by the end of 2023. While the overall project schedule has been reconfirmed, a number of significant risks were identified with the original four-phased design and construction strategy, and the phasing has been adjusted to include a single new construction phase for the new building and a single renovation phase for the existing buildings.

56. The risks identified with the original approach include (a) potential delays during the multiple tendering processes; (b) difficulties in maintaining clear lines of accountability with the design and construction contractors who would all need to work on mechanical and electrical systems that originate in central equipment rooms and pass through and support all the buildings on the compound; (c) potential warrantee management problems with multiple contractors working on the same systems; and (d) difficulties in material sourcing under multiple design and construction contracts, as the operations and maintenance staff would likely end up with different construction materials being used in different buildings on the compound, resulting in the need for, inter alia, more spare parts and storage.

57. In order for the project to mitigate such risks, the updated strategy is to consolidate the design and construction contracts around two main phases:

(a) construction of the new building; and (b) renovation of the existing buildings, to include the demolition of the building E tower. In addition to mitigating the risks, this strategy makes it possible to begin the new construction at the earliest possible time, which will then provide the swing space for the renovation work. In addition, having a single contractor responsible for the renovation work and the associated swing space moves allows the contractor to maximize coordination and expedite the overall renovation work. This benefit is expected to reduce some of the risk premium that multiple contractors would likely include in their bids under the multiple renovation contract scenarios, which in turn improves the likelihood that contractor prices are submitted within the available budget.

58. The revised schedule indicates the milestones as follows:

(a) Construction firm appointed in early 2017 for the construction of the new building;

(b) Construction firm appointed in early 2019 for the renovation of the existing buildings;

(c) Completion of the construction works of the new building in 2019;

(d) Completion of the renovation of the existing buildings in 2023.

59. The revised schedule of works is indicated in figure 3 below.

Figure 3
Revised schedule of works

I. Actions to start the works at the earliest opportunity

60. In line with section III, paragraph 4, of General Assembly resolution 69/262, the Secretary-General continues to make every effort to expedite the project activities related to the strategic heritage plan. The current project plan envisages the commencement of construction of the new building in the first quarter of 2017, which is the earliest possible start date considering the need to complete essential activities in 2016, as follows: (a) application for the Swiss loan in January 2016; (b) completion of the design works; (c) preparation of the tender documents for the construction works; (d) launching of the tender for the construction works and related negotiations with qualified construction firms; and (e) selection of a suitable construction firm for the construction of the new building.

61. The application for the host country loan is expected to be concluded within one year from the time that the General Assembly provides the approval to apply for the loan. Table 1 below provides an overview of the timeline for the Swiss loan application as stated by host country officials.

Table 1
Swiss loan application timeline

Required actions	*Date*
United Nations to submit the preliminary technical information	September 2015
Approval by the General Assembly	December 2015
United Nations to make a formal request for the loan to the Government of Switzerland	January 2016
Submission to the Swiss Federal Council	February 2016
Submission to the first chamber of the Swiss Parliament	May/June 2016
Submission to the second chamber of the Swiss Parliament for final approval	September 2016
Financing available	January 2017

62. As described above, the approval of the loan by the Swiss Confederation requires several steps to be carried out in a timeline of approximately one year. In this connection, if the United Nations were to formally request the loan of the Government of Switzerland after January 2016, it is expected to also delay the final approval of the Swiss Parliament, which could in turn delay the start of the construction.

63. Any significant delays in the project plan at this point are expected to result in additional costs, as fixed costs such as the project management team would be required for a longer period and contract amounts are expected to escalate over time.

J. Application of lessons learned

64. In accordance with General Assembly resolutions 66/247, 68/247 A and 69/262, the Secretary-General, through the Office of Central Support Services, is to take into

account lessons learned and best practices from past construction and renovation projects in implementing the strategic heritage plan, in particular to draw from experience and know-how acquired from large capital projects, including the capital master plan.

65. Accordingly, several relevant lessons learned have been applied to the strategic heritage plan project, as follows:

(a) A project of this magnitude requires an effective governance structure. To that end, the governance and oversight framework for the strategic heritage plan has been proposed to assist the project owner with appropriate guidance and support in making decisions and meeting project objectives;

(b) Independent project assurance through a robust integrated risk management programme has been put in place to identify risks, potential impacts and mitigation strategies from the very beginning of the project. The risk managers are co-located and work closely with the strategic heritage plan team. Moreover, they maintain an open communication channel with the Director of Administration of the United Nations Office at Geneva to provide their independent assessment of the programme;

(c) A project procedure manual has been developed which provides clear operational procedures and internal project control mechanisms for the team to effectively control and manage project costs and schedule;

(d) In accordance with section V, paragraph 9, of General Assembly resolution 68/247 A, the strategic heritage plan is utilizing a project management information system to assist in the internal project control activities. To that end, the system provides comprehensive project information in a transparent and real time manner, thus making possible regular monitoring of progress, including the continual reassessment of critical activities and milestones;

(e) Two separate construction phases for the renovation and new construction works will be used to provide improved contractual clarity and accountability during the course of the project;

(f) Modern preventive maintenance strategies will be implemented through the development of a building information model, where comprehensive building and system information is linked to software that tracks the maintenance requirements and performance over the life cycle of the building's components;

(g) Industry best practices will be followed with regard to testing and commissioning new mechanical and electrical systems and equipment to ensure smooth transitions from construction to operations and maintenance;

(h) Integrated risk management is being used to continuously identify, monitor and mitigate project risks;

(i) A programme to reduce the volume of paper and other office items will be implemented in order to ensure that swing space moves are efficient and that space within the Palais des Nations building complex is fully available for office and support spaces;

(j) Rigorous and transparent communication with the various stakeholders, with strong guidance and buy-in from the senior leadership, will be practised to ensure that the project proceeds smoothly and with full support from stakeholders.

V. Revised overall cost estimates

66. In section V, paragraph 17, of resolution 68/247 A, the General Assembly requested the Secretary-General to submit to the Assembly, at the main part of its seventieth session, revised overall cost estimates for the strategic heritage plan presented by the Secretary-General in his previous report (A/68/372).

Background information

67. The initial cost estimate of CHF 837 million was subject to redistribution among the line items. In this connection, the provision for the contingencies was initially established to take into account both the works that could not be quantified at that stage and to cover the unforeseen works that are typical of renovation and new construction projects.

68. A portion of the previously estimated contingency provisions for works that could not be quantified has now been allocated to construction and renovation works following more definitive information as a result of the concept design exercise. To that end, the concept design has been developed so as not to exceed the previously estimated costs amounting to CHF 837 million.

Cost overview

69. The revised overall project cost estimate analysis reduced the resource requirements to CHF 836.5 million and thus deviates slightly from the previous projection contained in the report of the Secretary-General (ibid.). The projected expenditure summary information is included in table 2 below. The reduction is a result of the lower than projected resource requirements for project management in the biennium 2014-2015.

Table 2
Projected summary cost plan for the strategic heritage plan project from 2014 to 2023
(Thousands of Swiss francs)

	2014	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*Total*
Construction of the new building	–	–	–	43 222.3	57 629.7	9 604.9	–	–	–	–	110 456.9
Renovation works	–	–	–	–	–	93 494.3	81 994.0	32 120.6	86 075.9	58 534.3	352 219.1
Dismantling seven floors of building E	–	–	–	–	–	–	–	19 721.9	–	–	19 721.9
Associated costs	–	–	560.0	486.2	6 680.7	9 351.8	21 898.1	2 054.9	2 937.0	9 029.6	52 998.3
Consultancy services	12 760.1	23 327.4	25 622.7	7 866.2	10 788.8	9 028.1	8 618.1	7 927.6	6 471.6	5 814.1	118 224.7
Project management	1 212.3	2 942.7	4 355.5	4 315.3	4 335.3	4 349.3	4 365.5	4 335.2	4 335.2	4 335.2	38 881.5
Contingencies	–	1 000.0	2 322.5	12 841.8	17 324.3	17 886.4	13 636.8	7 071.4	11 701.4	8 132.5	91 917.1
Escalation	–	–	231.1	1 670.3	3 811.7	8 128.7	9 508.5	6 480.7	11 791.7	10 457.8	52 080.5
Total	**13 972.4**	**27 270.1**	**33 091.8**	**70 402.2**	**100 570.5**	**151 843.5**	**140 021.0**	**79 712.2**	**123 312.8**	**96 303.5**	**836 500.0**

70. The cost estimate of CHF 836.5 million has been adopted as an objective for the project now that project feasibility has been confirmed and concept design has been developed at that amount. Accordingly, the detailed design work will proceed with that amount as a maximum overall cost for the project.

71. The strategic heritage plan succeeded in not exceeding the previously established budget by introducing during the concept design phase several value management and value engineering workshops. Those activities helped to identify opportunities for optimizing the design and for introducing innovative design solutions, without compromising the strategic heritage plan objectives.

Estimation methodology

72. The estimation methodology used is the elemental method that provides a structured basis for measuring and costing building work, and presents a consistent approach for dealing with other key cost components associated with a building construction project, such as contingencies, consultancy fees and associated works. The methodology is in line with international industry best practice.

73. A detailed multi-year project cost plan has been developed by allocating the cost to all building elements related to the renovation of the Palais des Nations existing historical buildings and to the construction of the new building, all in line with the concept design.

74. The cost estimate for the renovation comprising buildings A, B, C, D, E and S, and the construction of the new building includes the works essential to comply with the building codes on matters relating to fire, safety and health, and accessibility for persons with disabilities. The works also include the upgrade of the information technology, broadcast and congress systems. The calculation of the project costs has been based on unit rates and the cost information was obtained through the analysis and study of comparable local and international projects based principally on type of construction, materials, workmanship, level of specification and contracting arrangements.

75. The cost estimate for the associated works has been revised and includes office furniture for the new building and in some areas of the existing buildings in order to achieve necessary space efficiencies. Moving costs for staff to and from the swing spaces are also included, as are the costs related to reconfiguration, associated equipment and cleaning of the swing spaces.

76. Moreover, the cost estimate includes the consultancy fees and the costs related to the United Nations dedicated project management team, programme management services, independent risk management services, design services and contracted external experts.

77. In the previous report of the Secretary-General (ibid.), the project contingencies were calculated as percentages based on industry standards in line with the level of the detailed project information available at that time, as follows: (a) 20 per cent of the estimated cost for the renovation works; (b) 10 per cent of the estimated cost for the construction of the new building and for the dismantling works of the building E office tower; (c) 20 per cent of the estimated cost for the associated works; (d) approximately 20 per cent of the estimated cost for the consultancy services.

78. In contrast to the previous approach and in line with the Board of Auditors best practice recommendation in its aforementioned paper, entitled "Lessons from the United Nations capital master plan", the project contingency sum has now been allocated through a robust risk analysis process. To achieve this approach, the risk management firm conducted a series of quantitative and qualitative risk workshops during 2015 with the strategic heritage plan project management team, the programme management firm and the lead design firm. The purpose of the workshops was to identify and assess the key risks to the project programme, quantify potential impacts on time and cost, and identify the most appropriate mitigation actions to reduce the risks to the lowest practicable levels. Some of the key risks identified are related to the potential increases of the construction and renovation costs owing to unpredictable future market conditions, multiple procurement actions, unforeseen existing building conditions, design errors, unforeseen ground conditions, construction contractors delays and the conflict between the conferences schedules and renovation works.

79. Within the risk workshops, each risk identified was allocated to the programme activity most likely to be impacted by the risk and then assessed in terms of its probability of occurrence and its potential impact on the cost and duration of that activity. Each risk was assessed in terms of the "pre-mitigation risk" position, before completing mitigation actions, and the "post-mitigation risk" position, after completing all mitigation actions identified in the workshops. A risk analysis simulation was then carried out using the workshop "post-mitigation risk" assessment to determine the total risk of unplanned costs that could occur during delivery of each project portion and project phase. Accordingly, the available contingency has been apportioned to mitigate the identified risks.

80. The assessment of project risks and refinement of mitigation actions will continue to be performed on a regular basis throughout the life of the project in line with the level of planning and certainty. Mitigation strategies will be updated accordingly and contingency funds will be reallocated as new risks emerge and older risks are retired.

81. In conjunction with professional cost advisers, the strategic heritage plan team has reviewed the official, updated historic data provided by the Swiss Federal Statistical Office, as well as current trends and future escalation forecasts, the effect of the delinking of the Swiss franc, current and predicted supply chain workloads and market capacity, and has estimated escalation for the project at 1.2 per cent per year until and including 2017, and at 1.6 per cent per year thereafter. The strategic heritage plan will continue to monitor and update this escalation rate over the course of the project.

VI. Other considerations

A. Possibilities of attracting additional United Nations entities to be accommodated at the renovated Palais des Nations

82. In resolution 69/262, section III, paragraph 10, the General Assembly requested the Secretary-General to explore the possibility of attracting additional United Nations entities to be accommodated at the renovated Palais des Nations. Accordingly, the Secretary-General has been actively engaging United Nations

entities in Geneva, including the Office of the United Nations High Commissioner for Human Rights (OHCHR) and the United Nations Children's Fund (UNICEF). OHCHR and UNICEF have expressed strong interest in being accommodated in the Palais des Nations as soon as possible. The United Nations Joint Staff Pension Fund and the World Food Programme have also expressed interest in finding accommodation in the Palais.

83. The additional workplaces that will be created would accommodate the approximately 700 OHCHR staff members in the Palais who are currently housed at two outside-leased facilities, the Palais Wilson and the Giuseppe Motta building. Significant cost avoidance can be achieved, as the cost for the Wilson and Motta premises, inclusive of rent, maintenance and the provision for safety and security, is approximately CHF 9 million per year.

B. Donation policy

84. In resolution 69/262, section III, paragraph 16, the General Assembly requested the Secretary-General to present a proposal for the donation policy. Accordingly, a proposed donation policy for the strategic heritage plan is contained in annex I to the present report.

85. The proposed policy provides a framework for the acceptance of voluntary contributions to the strategic heritage plan in line with current United Nations rules and regulations. The policy covers any voluntary contribution to the United Nations Office at Geneva that will contribute to achieving the strategic heritage plan project objectives, offsetting costs and/or otherwise enhancing the infrastructure of the Palais des Nations. Examples include the renovation or construction of conference rooms, additional buildings, lobbies and offices, the preservation of heritage elements, the creation of recreational facilities, landscaping and security installations. A donation will be accepted only pursuant to a formal agreement in the form of a memorandum of understanding concluded between the donor and the United Nations Office at Geneva.

C. Works of art, masterpieces and other gifts

86. In resolution 69/262, section III, paragraph 18, the General Assembly requested the Secretary-General to ensure that works of art, masterpieces and other gifts are handled appropriately during the design and renovation stages of the strategic heritage plan, and also requested him to cooperate with those Member States that wish to take care of their gifts of works of art, masterpieces and other items. Accordingly, the strategic heritage plan will develop a comprehensive inventory of the items that may be impacted by the renovation. Each item will be classified and protected, and/or moved during the renovation works to prevent damage. An assessment will also be made to establish the necessity for conservation through special treatments. Member States that donated the gifts will be consulted regarding the specific proposed handling of the items. Relevant provisions to ensure that the art, masterpieces and other gifts are safeguarded during the renovation will be duly included in all construction and renovation contracts. Once the renovation and construction works are completed, appropriate reinstallation and relocation of the items will occur.

D. Explore possibilities to reuse the existing furniture to reduce new requirements

87. In line with his previous report (A/69/417), the Secretary-General confirms that the existing furniture will be reutilized to the maximum extent possible. He also confirms the strategic heritage plan targets to reuse approximately 50 per cent of free-standing furniture and up to 80 per cent of chairs in line with the initial planning. The existing furniture will be reused in the enclosed offices and conference and meeting rooms. The historic furniture will be kept and protected during the renovation and construction phases. In addition, whenever possible, the existing conference furniture will be kept and the new technology equipment will be integrated appropriately. The new open space environments in the new and existing buildings will require new furniture. Provision for new furniture has been included in the project cost estimate.

E. Ensuring sufficient parking at the Palais des Nations

88. In the previous report (ibid.), the Secretary-General indicated that there are two approaches to provide additional spaces at no additional cost to the project: (a) reviewing the current parking policy to possibly eliminate some or all assigned spaces for staff and/or to limit the total number of permits issued, in particular to non-United Nations entities; and (b) making more efficient use of existing parking through low-cost means, such as restriping. The strategic heritage plan team has not considered high-cost options, such as constructing new underground and/or surface parking spaces owing to cost considerations and prioritization with respect to the current project objectives. The strategic heritage plan has, however, identified the need to reallocate some of the existing parking spaces to dedicate to persons with disabilities in accordance with the applicable codes and standards. The parking capacity for representatives of Member States will be maintained. It should be noted that even with the space reallocation to persons with disabilities and the addition of 700 staff to the compound, the ratio of parking spaces to staff at the Palais significantly exceeds local standards.

VII. Financing

89. Member States will have to decide on three different components of the financing for the strategic heritage plan, which include (a) acceptance of the loan package offered by the host country; (b) the scheme of appropriation and assessment; and (c) the currency of appropriation and assessment. The three elements are further elaborated upon below.

A. Consideration of a loan package offered by the host country

Option 1: Financing part of the project through a loan package offered by the host country and the remaining part through an assessment on Member States

90. As requested by the General Assembly in resolution 68/247, the Secretary-General started the negotiations with the Government of the host country for loan arrangements for both the renovation and the construction portions of the strategic

heritage plan. In 2014 the Government of the host country formally offered to provide to the United Nations a loan package covering up to 50 per cent of the total project cost of the strategic heritage plan, if approved by the Assembly. At the time of the offer, the package amounted to CHF 380 million. It consisted of two loans: a construction loan at a zero interest rate, repayable over 50 years, covering the entire construction cost of the replacement of building E; and a renovation loan at a fixed interest rate based on the 30-year refinancing rate in Switzerland (which was averaging about 1.5 per cent in 2014) and repayable over 30 years for the renovation costs of the project.

91. As requested by the General Assembly in resolution 69/262, the Secretary-General continued to negotiate with the host country on the most preferential terms and modalities for the loan arrangements and is pleased to report that the Government of the host country has offered a loan package totalling CHF 400 million that covers both the construction and renovation parts of the project, at a zero interest rate. As indicated in paragraphs 61 to 63 above, the loan is subject to approval by the Parliament of Switzerland.

92. The construction part of the loan would cover all eligible costs for the new construction from 2017 to 2019, which are estimated at CHF 125.1 million, including contingency provision and escalation. The remainder of the loan, in the amount of CHF 274.9 million, would be used for the renovation works. The construction part of the loan would be repayable over 50 years, starting the year in which the construction works have been completed, which is currently scheduled for 2019, whereas the renovation part would be repayable over 30 years, starting the year in which the renovation works have been completed, which is currently scheduled for 2023.

93. The foregoing arrangement is summarized in table 3 below:

Table 3
Summary of the loan package
(Millions of Swiss francs)

	Loan amount
Loan 1 — New construction (repayable over 50 years)	125.1
Loan 2 — Renovation (repayable over 30 years)	274.9
Total	**400.0**

94. The repayment of the loans would be made in equal annuities due at the end of each year, on 31 December. The United Nations would be required to make annual payments of CHF 2.501 million to repay the construction part of the loan over a period of 50 years, starting in 2019 and ending in 2068. Repayment of the renovation part of the loan would entail an annual amount of CHF 9.164 million and would start in 2023 for a period of 30 years, until 2052.

95. The amount of the loan needed for each year would be determined in advance by the United Nations. The host country would transfer the funds to a dedicated project bank account established by the United Nations specifically for the strategic heritage plan. The funds would be deposited into the account in instalments as and when needed by the project, based on a payment schedule presenting estimated

requirements. The Organization would provide regular reporting to the host country on the progress of the works and on incurred and expected expenditure.

96. Should there be delays in the project plan, the loan repayments would only be deferred for up to two years (i.e., 31 December 2021 for the construction part of the loan and 31 December 2025 for the renovation part of the loan), after which the loan repayments would be required even if the project is not yet completed. There would be no penalties in case of early repayment of the loans.

Option 2: Financing of the whole project solely through appropriation and assessment on Member States

97. Should Member States decide to finance the whole project through assessed contributions only, without resorting to any loan from the host country, appropriation and related assessment during the period 2016 to 2023 would be proposed to Member States in the currency and in accordance with the scheme of appropriation and assessment that Member States would have decided on (see sects. B and C below on the proposed options for the scheme of appropriation and assessment, and the currency).

98. Since the loan package offered by the host country is interest free, the overall cost of both options would be the same, whether the project is funded entirely through assessed contributions from Member States or in part through the loan package, excluding any recosting that may apply.

B. Scheme of appropriation and assessment

99. It would be necessary for Member States to make a decision regarding one of the following appropriation and assessment (regular budget scale) options:

(a) *One-time up-front appropriation*. The cost of the project to be financed by Member States, after deciding between the two options presented under section VII.A above, would be appropriated in its entirety at the beginning of the project (excluding repayments of the loans, if applicable). There would then be a one-time up-front assessment for each Member State's related share, based on the applicable regular budget scale of assessment in place for 2016, when the assessment is made. This option would increase the cash position at the start of the project, which would provide the capacity to respond to any cash flow requirement that may arise. This option is reflected in table A.1 contained in annex II to the present report;

(b) *Multi-year appropriations*. The phasing of multi-year appropriations and their related yearly assessment could be done based on the estimated expenditure for each financial period (see table A.2.1 contained in annex II), or based on the average annual projected expenditure of the project (see table A.2.2 contained in annex II), to be financed by Member States, after deciding between the two options presented under section VII.A above. The latter would mean equal amounts to be appropriated and assessed at regular intervals. The regular budget scales of assessment applicable to each financial period for which the assessment is made would be used. Depending on the timeliness of payments of the assessment by Member States, there would be some cash flow risks under this option;

(c) *One-time up-front appropriation, with a mix of one-time and multi-year assessments*. Under this option, the cost of the project to be financed by Member States, after deciding between the two options presented under section VII.A above,

would be appropriated in its entirety at the beginning of the project, but individual Member States would each be able to decide whether their strategic heritage plan assessment will be a one-time up-front payment or will be assessed over a multi-year period in equal amounts, in accordance with the option shown in table A.2.2. Member States would have to make their selection upon receipt of the assessment letter in January 2016, which would include the amounts corresponding to the two options. Once a decision is made, it will be irrevocable. As the scale of assessments usually changes every three years, gains and losses may occur as the scale changes between Member States that select a one-time assessment and those that select a multi-year assessment. In order to avoid this issue, Member States would have to decide under this option which scale to apply for the life of the strategic heritage plan.

C. Currency of appropriation and assessment

100. United Nations Financial Regulation 3.10 provides that annual contributions and advances to the Working Capital Fund shall be assessed and paid in United States dollars. Financial Regulation 4.14 also provides that, unless otherwise provided by the General Assembly, special accounts shall be administered in accordance with the Financial Regulations.

101. As explained in the report of the Secretary-General (A/69/417), the contracts and related expenditure for the strategic heritage plan will be denominated primarily in Swiss francs, which is standard procedure for similar projects in the host country. The loan from the host country would also be in Swiss francs. Consequently, the General Assembly may wish to decide that the appropriation and assessment for the strategic heritage plan will be in Swiss francs, rather than United States dollars. Both options are presented in the paragraphs below.

Option 1: Appropriation and assessment in United States dollars

102. An assessment would be issued to Member States in accordance with the amount and scheme of appropriation that the General Assembly would have decided on (see sects. A and B above). Since, as indicated in paragraph 101 above, the contracts and related expenditure for the strategic heritage plan would be denominated primarily in Swiss francs, receiving contributions from Member States in United States dollars would expose the Organization to a currency risk vis-à-vis the Swiss franc at the time of appropriation if such appropriation takes place on a yearly basis rather than up front. Therefore, as a mitigation measure, the amounts proposed for appropriation for each financial period would be the equivalent in United States dollars of the Swiss franc funding requirements of the project (either projected yearly expenditure or average yearly expenditure in accordance with subpara. 99 (b) above), converted at the prevailing United Nations operational exchange rate at the time of appropriation, or at the forward rate.

103. In addition, after appropriation, as the expenditure would occur during the year, there would be an additional exchange rate risk during the annual financial period. The Organization would make efforts to mitigate this currency risk through the mechanisms available on the money market. Future forward contracts could be purchased to fix the exchange rate between the United States dollar and the Swiss franc for the respective year of operations. Alternatively, the Organization could also convert to Swiss francs any incoming United States dollar contribution immediately

upon receipt, in particular in the case of up-front appropriation and assessment (in accordance with subparas. 99 (a) or (c) above), but this would subject the amounts to any negative interest rates, as explained in paragraph 107 below.

104. Finally, should Member States opt for the loan package offered by the host country, exposure to currency fluctuations would be minimized for the amount of the loans during construction and renovation, but would still exist during the period of repayment of the loans.

Option 2: Appropriation and assessment in Swiss francs

105. To minimize currency-risk exposure resulting from differing currency denominations between the incoming funds from Member States' contributions and the outgoing funds of the project disbursements, Member States may wish to decide that the appropriation and assessment for the strategic heritage plan be in Swiss francs. This decision would minimize the currency-risk exposure for the Organization as outlined above. However, amounts assessed and contributed in Swiss francs would immediately upon receipt be subject to any negative interest rates, as explained in paragraph 107 below.

106. The current processes and systems in use within the Organization for the issuance of assessment and for the related accounting and reporting on the status of contributions have to date been based on the currency stipulated in regulation 3.10 of the Financial Regulations and Rules of the United Nations, and consequently have not been adapted to address contributions assessed and received in currencies other than the United States dollar. Should assessment be in Swiss francs, ad hoc arrangements (such as a separate spreadsheet or database solution) would have to be established for the issuance and reporting on such assessment.

D. Negative interest rates

107. Holdings in Swiss francs that exceed a certain threshold (usually CHF 10 million) are at present subject to negative interest rates. This measure, while it could be lifted in subsequent years by the Swiss National Bank, would currently impact the Organization differently depending on the scheme of assessment selected. Up-front appropriation and assessment in Swiss francs, owing to the large initial holdings of Swiss francs that they imply, would be most impacted by negative interest charges, while multi-year assessment in Swiss francs would create less impact, as average holdings in that currency would be reduced. Up-front assessment in United States dollars could also be impacted, should the Organization decide, as a currency-risk mitigation measure, to immediately convert to Swiss francs upon receipt of the incoming contributions. This would represent a challenge for the Organization in light of Financial Rule 104.12, which provides that funds shall be "invested in such a way as to place primary emphasis on minimizing the risk to principal funds". The use of the Swiss loan would mitigate part of this issue, in particular during the early stages of the project when a larger percentage of project costs are covered by the loan.

E. Multi-year special account

108. It is proposed that the accounting of the project be undertaken through a multi-year special account. The special account would be funded through assessment separate from the regular budget in order to segregate the cost pertaining to the strategic heritage plan.

109. Multi-year special accounts have been approved by the General Assembly for long-term projects that cover multiple financial bienniums of the programme budget. This approach has proved helpful for construction projects where: (a) the Organization's procurement lead time (during which funds are routinely earmarked, if not formally committed) can be lengthy as a result of the intensive due diligence process; and (b) commitments with contractors need to be entered into some time in advance of service or goods delivery because of the contractor's production lead time. It also avoids the procedural and administrative duplication where uncommitted balances are returned to Member States at the end of a biennium only to be requested once more for the following biennium as part of the subsequent proposed programme budget.

110. A multi-year special account gives the project owner and programme managers the flexibility to manage resources over the long term in line with the scheduled needs of a project, as opposed to being constrained by the fiscal timing of the programme budget cycle. Such an account does not reduce the reporting requirements to the General Assembly. In fact, such long-term projects are typically accompanied by annual progress reports to the Assembly on the totality of the estimated project cost (past expenditure, current year reforecast expenditure and projected cost estimates for future years), as opposed to the programme budget performance report, which is issued on a biennial basis.

111. It should be noted that in order to avoid keeping the multi-year special account open over an extended period of time, the yearly repayments of the loans would be funded under the special account for the duration of the project until 2023, but would thereafter be included in the programme budget for the relevant periods. The multi-year special account would be closed after the financial and administrative close-out of the project, assuming assessment would have been paid in full by all Member States.

F. Working capital reserve

112. It is proposed that a working capital reserve be established for the purpose of covering temporary cash flow deficits and facilitating advance procurement or accelerated construction activity. The proposed amount of the estimated reserve is $20 million. Should it be determined in subsequent years that the level of the reserve is insufficient, further requests would be included in future progress reports for consideration by the General Assembly. The reserve would be financed through a separate advance assessment in 2016 on Member States and managed in accordance with the provisions of Financial Regulations 3.5, 4.2 and 4.3. The reserve would be phased out at the end of the construction period of the project and the related contributions would be credited back to Member States.

G. Possible alternative funding mechanisms

Voluntary contributions from Member States

113. The United Nations Office at Geneva remains active in seeking donors to finance renovation work at the Palais des Nations. During the last quarter of 2014, the renovation of Conference Room I, funded by Turkmenistan, was completed, making it possible to host major events, including the recent talks regarding the Syrian Arab Republic.

114. A memorandum of understanding for the renovation of Conference Room XVII, having a capacity of 675 seats, was signed with the United Arab Emirates during the last quarter of 2014. The design work has been completed and site works are progressing well, with a scheduled completion in 2016.

115. A design for the renovation of Conference Room XIX has been developed by Qatar, but renovation works have not been started.

116. A standard memorandum of understanding, drafted under the auspices of the Office of Legal Affairs of the Secretariat, currently regulates voluntary contributions from Member States. A draft donation policy, developed for consideration by the General Assembly, is contained in annex I of the present report.

117. The aforementioned donation projects have been coordinated with the strategic heritage plan concept design. It should be noted that the scope of the projects typically goes well beyond the strategic heritage plan objectives with regard to the types of rooms concerned. The scope of the strategic heritage plan typically includes upgrading the audiovisual and broadcast systems, making accessibility modifications and upgrading the heating, ventilation and air conditioning systems. The donation projects referred to include much more extensive works in terms of, inter alia, architecture and furniture. These particular projects have allowed some modest reprogramming of anticipated costs to other renovation work included within the design scope of the strategic heritage plan, but have not been used to reduce the overall budget for the project.

118. The Director-General of the United Nations Office at Geneva, in his role as project owner, continues to actively solicit voluntary contributions from Member States and other potential donors to fund specific renovation and construction projects identified for that purpose. In this regard, thematic encounters took place and a compendium of projects has been distributed to all Member State missions in Geneva.

Potential energy-related subsidies and incentives

119. There are various energy-related subsidies and incentives that may be available to the project from the local and national Governments. The procedures and options are currently being explored. While none appears to provide the means to reduce overall project costs, there may be peripheral benefits available, in particular in making improvements to the heating plant that is currently beyond the scope of this project. The strategic heritage plan team will continue to explore these options.

Utilization of future rental income

120. Income is generated from the rental of premises, which is recognized as miscellaneous income and returned to Member States at the financial close of each

biennium. Currently, approximately $1.2 million is generated every year from the rental of premises.

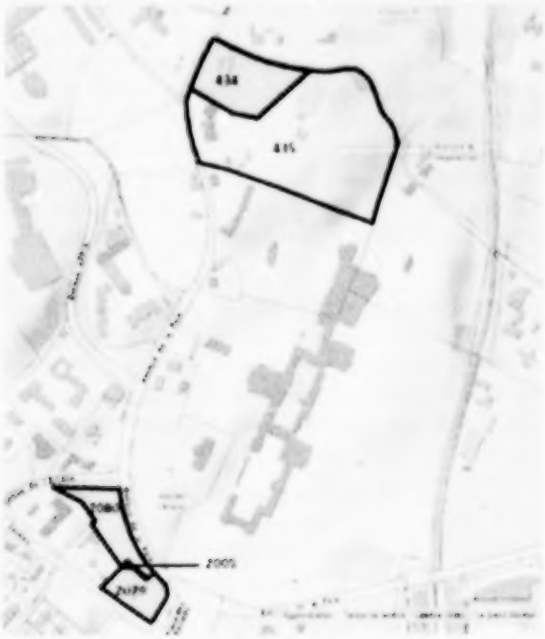
121. It should be noted that additional rental income should also become available with the addition of the 700 staff from OHCHR in the new building.

Valorization of United Nations land

122. The General Assembly, in resolution 69/262, and the Advisory Committee on Administrative and Budgetary Questions, in paragraph 69 of its report (A/69/580), requested the Secretary-General to continue to explore the possibilities of alternative funding mechanisms to reduce the overall assessment on Member States for the strategic heritage plan. In paragraph 98 of his report (A/69/417), the Secretary-General referred to one such potential mechanism, the sale or lease of certain parcels of land owned by the United Nations.

123. The portfolio of parcels of land owned by the United Nations has been analysed and a number of plots have been identified as possible opportunities to generate income, though all options will take some time and resources to fully develop. These plots are indicated in figure 4 below.

Figure 4
Plots of land with possible opportunities to generate income



Parcel 434 — currently leased in part by the Club international de tennis

124. Parcel 434 has an area of 17,698 m^2. The largest part of this parcel, representing an area of 13,900 m^2, is currently being leased to the Club international de tennis. The buildings and infrastructure are built and maintained by the Club. An area of 3,790 m^2, also within parcel 434, is leased to the Fondation de l'École internationale de Genève.

125. The lease contract with the Club international de tennis can be terminated with an advance notice period of one year. The leases have no provisions relating to payment of compensation. The United Nations Office at Geneva recently issued notice to the Club that it intends to allow the current lease to expire without renewal unless the Club offers to pay a rental rate that is closer to market value. The Club is currently paying CHF 6,335 per year, while the market rate is estimated to be many times that amount. It has served notice that it cannot afford a significant increase in rent and intends to challenge the decision not to renew, as it has taken loans to develop the property, believing it would be able to continue to renew the lease at the current rate for the foreseeable future. The Office is in negotiations with the Club concerning the issue.

Parcel 435 — currently leased in part by the Fondation de l'École internationale de Genève

126. An area of 11,572.5 m^2 is being leased to the Fondation de l'École internationale de Genève. This area is spread across two parcels of land: 7,782.5 m^2 in parcel 435 and 3,790 m^2 in parcel 434. The buildings and amenities have been financed by the leaseholder. The main school building is listed in the publication *L'Architecture à Genève 1919-1975*, enhancing its patrimonial value. A similar notice regarding non-renewal of this lease, which is also significantly below market rates, was issued to the Fondation. Its response, however, was to indicate a willingness to increase its rental rate of CHF 5,000 per year to an amount closer to market rates. These negotiations are under way.

Parcel 435 — Villa La Fenêtre and its annexes

127. The complete parcel 435 has a total surface of 68,660 m^2. The remaining part of this plot is located within the current United Nations security perimeter. It includes a historic villa and is in close proximity to the new building to be constructed. This area is not considered to be a viable source for sales or rental income for the Organization.

Possible sales value of the parcels currently leased to the Club international de tennis and the Fondation de l'École internationale de Genève

128. Parcels 434 and 435 are both being evaluated by a consultant to determine fair market value for the sale of the land. While the situation regarding both plots is complicated given the current state of affairs with the tenants, this option will continue to be pursued and evaluated in the coming year

Parcels 2005, 2079 and 2080

129. Another possibility lies within the parcels 2005/2080 (Parc des Feuillantines) and parcel 2079 (Villa Feuillantines). These parcels of land are outside the grounds of the Palais des Nations and include a small villa. While this area is not included within the United Nations security perimeter, it does house some security staff and the Office of the Ombudsman. In addition, the United Nations women's guild uses rooms in the attic for their activities.

130. The Secretary-General has commissioned detailed estimates so as to obtain fair market value for the three parcels in terms of: (a) one-off sale; (b) long-term land lease with development rights; or (c) a combination of both. This activity is

expected to provide the basis for recommending to the General Assembly the possible disposition of the plots as a possible source of income to reduce the overall project cost of the strategic heritage plan to Member States.

VIII. Next steps

131. Upon approval by the General Assembly, the project will immediately begin work on the following sequence of significant project design and construction activities:

(a) Complete the detailed and technical designs, together with the tender documentation for the new building in 2016;

(b) Proceed with the procurement activities to select a construction contractor for the new building contingent upon availability of funding in early 2017;

(c) Analyse and determine the optimal path forward to complete the design and renovation of the existing buildings, using the design documentation being developed in the concept design as the basis for the work in 2016;

(d) Complete the detailed and technical designs, together with the technical documentation for the existing buildings during the construction phase of the new building in 2018;

(e) Initiate procurement activities to select a construction contractor for the renovation of the existing buildings in 2018;

(f) Initiate those renovation activities that can be accomplished without requiring the completion of the new building to provide swing space;

(g) Complete the new building in 2019 and begin using it as swing space;

(h) Begin substantive renovations of the existing buildings in 2019;

(i) Complete renovations of the existing buildings in late 2023;

(j) Complete the demolition of the building E tower once swing space is no longer needed. Proceed with all other project activities in accordance with guidance and authorization provided by the General Assembly in the upcoming resolution.

IX. Resource requirements for 2014-2015

132. Actual expenditure for the project during the biennium 2014-2015 as at 31 August 2015 amounts to CHF 31,194,900 and the projected expenditure for the period September to December 2015 is estimated at CHF 10,047,600. The total requirement for the biennium 2014-2015 is estimated at CHF 41,242,500 against the approved amount of CHF 41,742,500, reflecting a reduction of CHF 500,000, which results from the delayed recruitment of the project management team.

133. The projected expenditure for 2015 and the projected requirements for the biennium 2014-2015 are set out in table 4 below.

Table 4
Approved funding and projected expenditure for 2014-2015
(Thousands of Swiss francs)

Description	*Approved 2014*	*Approved 2015*	*Total approved 2014-2015*	*Expenditure as at 31 August 2015*	*Projected September-December 2015*	*Total projected expenditure for 2014-2015*
Design, consultancy and contracted external expertise	14 200.0	22 887.5	37 087.5	28 363.4	8 [illegible]	37 087.5
Project management team and operational expert team	1 401.4	3 138.2	4 539.6	2 764.8	1 275.8	4 039.6
Travel	28.5	86.9	115.4	67.7	47.7	115.4
Total	**15 629.9**	**26 112.6**	**41 742.5**	**31 194.9**	**10 047.6**	**41 242.5**

X. Resource requirements for 2016-2023

134. Paragraphs 135 to 155 provide additional details regarding the resource requirements summarized in table 2 above.

A. Contracted construction services

135. Resources amounting to CHF 482,397,900, excluding contingencies and escalation, are required for the contracting of the construction firms from 2016 to 2023. The breakdown of the required contracted construction services resources is as follows: CHF 110,456,900 for the construction of the new building; CHF 352,219,100 for the renovation works of the existing buildings; and CHF 19,721,900 for dismantling seven floors in building E.

136. Two construction contracts will be required from 2017 to 2023 in order to undertake the construction of the new permanent building and the renovation of the existing buildings. The renovation contract will include the demolition of the building E tower.

B. Associated costs

137. Resources amounting to CHF 52,998,300, excluding contingencies and escalation, are required for the activities to be undertaken in association with the construction and renovation works from 2017 to 2023.

138. The associated works include activities such as temporary swing space and permanent office staff moves, cleaning after removal of swing space, temporary facilities and furniture.

C. Contracted consultancy services

139. Resources amounting to CHF 82,137,200, excluding contingencies and escalation, are required for the continuation of the established dedicated consultancy

services and contracted external expertise throughout the design and construction stages of the project, from 2016 to 2023.

140. In line with the project activities, the dedicated consultancy services will need to continue to complete the design activities, undertake the design and construction works and provide support to the dedicated project management team in the management of the overall project programme and risks. These consultancies include:

(a) Design firm;

(b) Programme management firm;

(c) Risk management firm;

(d) Other contractual expertise, including legal firm.

141. The design firm will be required to complete the production of the detailed design, undertake the preparatory tender documentation and provide assistance to the dedicated project management team in the construction procurement process for the renovation and construction works. The design firm will also provide assistance during the construction/renovation works period to respond to technical questions from the contractors, review technical submittals and resolve design issues.

142. The programme management firm will be required to provide assistance to the project management team in managing the project programme and to coordinate the moves of building occupants, specifically, to provide the specialized technical expertise needed on a full- or part-time basis to effectively oversee project implementation.

143. The independent risk management firm will be required throughout the various stages of the project to continue to facilitate risk management workshops, ensure that the risk register is up to date, help to develop mitigation strategies for newly identified risks and provide ongoing cost and schedule risk analysis to support decision-making on the project.

144. Other contractual expertise will be required to provide assistance to the dedicated project management team and operational experts team in specialized services in the general fields of design, construction, programme and project management support, and in specific technical areas, such as space planning and programming, conference congress systems, energy savings and management systems, historical preservation and legal advice. To that end, a local Swiss legal firm will be required throughout the various stages of the project to review the contracts for construction and renovations works in order to ensure compliance with applicable local laws and regulations, and to help navigate issues with the local authorities should they arise.

D. Project management

145. Project management resource requirements amounting to CHF 34,726,500, excluding escalation, are composed of the following categories: temporary positions; individual consultants; operating expenses; training; and travel.

Dedicated project team

146. Resources amounting to CHF 31,600,000 are required for the continuation of the dedicated project management team of 19 staff through the duration of the project, from 2016 to 2023. The dedicated project management team reflects the necessary minimum level of resources required throughout the design, procurement, construction, commissioning, handover and initial building occupancy phases of the project.

147. The operational expert team is also necessary through the duration of the project to provide the daily interface needed to ensure that essential technical information exchange and coordination are carried out for the smooth transition from construction to operations and maintenance and occupancy.

Individual consultants

148. Resources in the amount of CHF 1,400,000 are foreseen for additional specialized expertise and/or additional resources during limited time periods.

Operating expenses

149. Resources in the amount of CHF 966,500 are foreseen in order to fulfil the project team's operational needs, such as office supplies and equipment, software licences, personal protective equipment and printing services.

Travel

150. Resources totalling CHF 640,000 are required to cover travel requirements for the strategic heritage plan from 2016 to 2023.

151. Travel funds will be required for the strategic heritage plan team for various activities to include briefings to the General Assembly, the evaluation of potential construction contractor's past performance on other projects and periodic involvement of Headquarters staff in the project.

Training

152. Resources amounting to CHF 120,000 are required to cover training requirements for the strategic heritage plan team from 2016 to 2023.

153. Training funds will be required for the team to maintain and enhance its technical knowledge on design and construction best practices within the industry in an effort to ensure that design and construction excellence is realized during the delivery of the project.

Contingencies

154. Resources in the amount of CHF 90,917,100, excluding escalation, are required for project contingencies from 2016 to 2023.

Escalation

155. Resources amounting to CHF 52,080,500 are required for projected cost escalation from 2016 to 2023.

XI. Recommended actions to be taken by the General Assembly

156. **The Secretary-General recommends that the General Assembly:**

(a) **Approve the strategic heritage plan proposed project scope, schedule and estimated cost in the total amount of CHF 836,500,000 for the period 2014 to 2023;**

(b) **Approve the next steps, as described in section VIII, for the full implementation of the strategic heritage plan;**

(c) **Decide on whether the project should be financed in part through a loan from the host country or solely through appropriation and assessment on Member States;**

(d) **Authorize the Secretary-General to formally apply for the loan in the amount of CHF 400,000,000, as described in section VII, should the Assembly decide to accept the loan offer from the Government of Switzerland;**

(e) **Decide on the scheme and currency of the appropriation and related assessment for the strategic heritage plan;**

(f) **Approve the establishment of a working capital fund for the strategic heritage plan in the amount of $20 million and its assessment on Member States;**

(g) **Approve the establishment of a multi-year special account for the strategic heritage plan and authorize the Secretary-General to make the necessary arrangements, including the recording of the expenditure in the biennium 2014-2015 under the special account;**

(h) **Approve the donation policy described in section VII and in annex I.**

Annex I

Donation policy for the strategic heritage plan at the United Nations Office at Geneva

Background

1. The General Assembly, in its resolution 69/262, requested the Secretary-General to present a proposal for the donation policy for the strategic heritage plan no later than at the main part of its seventieth session.

2. The United Nations Office at Geneva actively seeks voluntary contributions towards the execution of construction and renovation projects to reduce the overall project costs of the strategic heritage plan to Member States, improve the overall infrastructure of the Palais des Nations and enhance the geographical diversity and multicultural dimension of the premises in line with the values, principles and objectives of the Organization.

Scope of the present document

3. The purpose of this policy is to consolidate reference documents, procedures and current practice in a single framework for accepting donations.

4. This policy covers any voluntary contribution to the strategic heritage project that will contribute to achieving project objectives, offsetting costs and/or otherwise enhancing the infrastructure of the Palais des Nations. Examples include the renovation or construction of conference rooms, additional buildings, lobbies and offices, the preservation of heritage elements, the creation of recreational facilities, and landscaping and security installations.

Definition of donations for renovation and construction works

5. In principle, only States Members of the United Nations and observer States, as well as international, intergovernmental and regional organizations, non-governmental organizations and foundations can make voluntary contributions to the United Nations. Contributions by other donors, including private and corporate entities, may be considered on a case-by-case basis.

6. A voluntary contribution can be in-kind, financial, or a combination of the two. Donations will be encouraged from the list of donation projects developed and updated for the strategic heritage plan project.

7. In the present document a voluntary contribution is referred to as a donation. A donor is any entity that makes, or intends to make, a donation to the strategic heritage project.

General criteria for accepting a voluntary contribution

8. The acceptance of a voluntary contribution to the United Nations is governed by Financial Regulations 3.12 and 3.13, and Financial Rule 103.4.

9. In accordance with administrative instruction ST/AI/2004/1, the acceptance of donations shall be subject to approval by the Controller of the United Nations.

10. The final decision about acceptance of the donation shall be taken by the Director-General of the United Nations Office at Geneva.

11. When a donation is solicited by the United Nations Office at Geneva, a solicitation should, to the extent possible, be advertised extensively to ensure the largest possible geographical response.

12. The United Nations Office at Geneva will evaluate the proposed contribution with regard to operational factors, such as functionality within the mandate of the Organization, regulatory compliance, compatibility with the strategic heritage plan objectives, standards and specifications, and as to whether it reflects and respects the values and principles of the United Nations.

13. Acceptance of a donation should not result in a de facto standardization of the donor's goods or services within the United Nations Office at Geneva, or create a need for further goods or services that can be supplied only by the donor. It should not give the donor undue competitive advantage in a procurement exercise.

14. A donation should not be accepted if it would create a conflict of interest, or the appearance of a conflict of interest, for the United Nations Office at Geneva and/or the donor.

15. The acceptance of a donation shall under no circumstances allow the donor any role in internal decision-making processes of the United Nations, or in any other way compromise the integrity of the United Nations.

16. The donor will be requested to cover all of the costs and liabilities of the United Nations Office at Geneva resulting from the donation, including indirect and support costs, such as, for example, support staff to handle the donation.

17. Each donation must include an additional 3 per cent of the cost of the project, which will be set aside for the general maintenance fund for the Palais des Nations.

18. Entities that make a donation will be accorded appropriate acknowledgement by the United Nations Office at Geneva for the contribution made. In case of the renovation of a conference room, such recognition typically takes the form of a commemorative plaque of standardized size placed in the room or at its entrance.

19. Any acknowledgement or recognition of the donor's contribution or any use of the United Nations name or emblem in connection with the contribution shall be accorded so as to ensure that such acknowledgement or recognition does not imply the Organization's endorsement of, preference for, or promotion of the donor or its activities, goods or services.

20. The official emblem of the United Nations shall not be used without prior written authorization of the Organization. In accordance with the applicable rules and regulations and with established practice, the use of the United Nations emblem for commercial purposes is prohibited.

21. A donation will be accepted only pursuant to a formal agreement in the form of a memorandum of understanding concluded between the donor and the United Nations Office at Geneva.

Annex II

Financing schemes

Table A.1

Overall financing overview — up-front appropriation and loans in Swiss francs and United States dollars[a]

	Strategic heritage project period (2014-2023)											*Loan repayment (2024-2068) to be appropriated under the United Nations regular budget*			*Overall cost to Member States*
	2014	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*Total*	*2024-2052*	*2053-2068*	*Total*	
(Millions of Swiss francs)															
A. Appropriation, together with a long-term loan arrangement															
Member State appropriation	15.6	25.6	395.3	–	–	–	–	–	–	–	436.5				436.5
Swiss loan — new construction 0.0%	–	–	–	48.6	65.0	11.4	–	–	–	–	125.1				
Swiss loan — renovation 0.0%	–	–	–	–	–	–	–	55.3	123.3	96.3	274.9				
Total	**15.6**	**25.6**	**395.3**	**48.6**	**65.0**	**11.4**	**–**	**55.3**	**123.3**	**96.3**	**836.5**				
Member State appropriation for repayment of loans															
Swiss loan — new construction 0.0%	–	–	–	–	–	2.5	2.5	2.5	2.5	2.5	12.5	72.5	40.0	112.6	125.1
Swiss loan — renovation 0.0%	–	–	–	–	–	–	–	–	–	9.2	9.2	265.8		265.8	274.9
Total	**–**	**–**	**–**	**–**	**–**	**2.5**	**2.5**	**2.5**	**2.5**	**11.7**	**21.7**	**338.3**	**40.0**	**378.3**	**400.0**
Total Member State appropriation	**15.6**	**25.6**	**395.3**	**–**	**–**	**2.5**	**2.5**	**2.5**	**2.5**	**11.7**	**458.2**	**338.3**	**40.0**	**378.3**	**836.5**
B. Full financing through appropriation on Member States															
Member State appropriation	15.6	25.6	795.3	–	–	–	–	–	–	–	836.5				
(Millions of United States dollars)															
A. Appropriation, together with a long-term loan arrangement															
Member State appropriation	16.4	26.9	416.1	–	–	–	–	–	–	–	459.5				459.5
Swiss loan — new construction 0.0%	–	–	–	51.2	68.4	12.0	–	–	–	–	131.7				
Swiss loan — renovation 0.0%	–	–	–	–	–	–	–	58.2	129.8	101.4	289.4				
Total	**16.4**	**26.9**	**416.1**	**51.2**	**68.4**	**12.0**	**–**	**58.2**	**129.8**	**101.4**	**880.5**				
Appropriation for repayment of loans															
Swiss loan — new construction 0.0%	–	–	–	–	–	2.6	2.6	2.6	2.6	2.6	13.2	76.3	42.1	118.5	131.7

	Strategic heritage project period (2014-2023)											*Loan repayment (2024-2068) to be appropriated under the United Nations regular budget*			*Overall cost to Member States*
	2014	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*Total*	*2024-2052*	*2053-2068*	*Total*	
Swiss loan — renovation 0.0%	–	–	–	–	–	–	–	–	–	9.7	9.7	279.8	–	279.8	289.4
Total	–	–	–	–	–	**2.6**	**2.6**	**2.6**	**2.6**	**12.3**	**22.8**	**356.1**	**42.1**	**398.2**	**421.1**
Total Member State appropriation	**16.4**	**26.9**	**416.1**	–	–	**2.6**	**2.6**	**2.6**	**2.6**	**12.3**	**482.3**	**356.1**	**42.1**	**398.2**	**880.5**
B. Full financing through appropriation on Member States															
Member State appropriation	16.4	26.9	837.2	–	–	–	–	–	–	–	880.5				

[a] All figures quoted in United States dollars are calculated by a conversion from Swiss francs based on the 2016-2017 preliminary rate of 0.95.

ble A.2.1

Overall financing overview — appropriation and loan in accordance with yearly projected expenditure in Swiss francs and United States dollars

	Strategic heritage project period (2014-2023)											*Loan repayment (2024-2068) to be appropriated under the United Nations regular budget*			*Overall cost to Member States*
	2014	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*Total*	*2024-2052*	*2053-2068*	*Total*	
(Millions of Swiss francs)															
A. Appropriation, together with a long-term loan arrangement															
Member State appropriation	15.6	25.6	33.1	19.3	31.5	69.1	75.3	36.4	55.1	75.5	436.5				436.5
Swiss loan — new construction 0.0%	–	–	–	48.6	65.0	11.4	–	–	–	–	125.1				
Swiss loan — renovation 0.0%	–	–	–	2.5	4.0	71.4	64.7	43.4	68.2	20.8	274.9				
Total	**15.6**	**25.6**	**33.1**	**70.4**	**100.6**	**151.8**	**140.0**	**79.7**	**123.3**	**96.3**	**836.5**				
Member State appropriation for repayment of loans															
Swiss loan — new construction 0.0%	–	–	–	–	–	2.5	2.5	2.5	2.5	2.5	12.5	72.5	40.0	112.6	125.1
Swiss loan — renovation 0.0%	–	–	–	–	–	–	–	–	–	9.2	9.2	265.8		265.8	274.9
Total	–	–	–	–	–	**2.5**	**2.5**	**2.5**	**2.5**	**11.7**	**21.7**	**338.3**	**40.0**	**378.3**	**400.0**
Total Member State appropriation	**15.6**	**25.6**	**33.1**	**19.3**	**31.5**	**71.6**	**77.8**	**38.9**	**57.6**	**87.2**	**458.2**	**338.3**	**40.0**	**378.3**	**836.5**
B. Full financing appropriation on Member States															
Member State appropriation	15.6	25.6	33.1	70.4	100.6	151.8	140.0	79.7	123.3	96.3	836.5				
(Millions of United States dollars)															
A. Appropriation, together with a long-term loan arrangement															
Member State appropriation	16.4	26.9	34.8	20.3	33.2	72.7	79.3	38.3	58.0	79.5	459.5				459.5
Swiss loan — new construction 0.0%	–	–	–	51.2	68.4	12.0	–	–	–	–	131.7				
Swiss loan — renovation 0.0%	–	–	–	2.6	4.2	75.2	68.1	45.7	71.8	21.9	289.4				
Total	**16.4**	**26.9**	**34.8**	**74.1**	**105.9**	**159.8**	**147.4**	**83.9**	**129.8**	**101.4**	**880.5**				
Member State appropriation for repayment of loans															
Swiss loan — new construction 0.0%	–	–	–	–	–	2.6	2.6	2.6	2.6	2.6	13.2	76.3	42.1	118.5	131.7

	Strategic heritage project period (2014-2023)											*Loan repayment (2024-2068) to be appropriated under the United Nations regular budget*			*Overall cost to Member States*
	2014	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*Total*	*2024-2052*	*2053-2068*	*Total*	
Swiss loan — renovation 0.0%	–	–	–	–	–	–	–	–	–	9.7	9.7	279.8	–	279.8	289.4
Total	–	–	–	–	–	**2.6**	**2.6**	**2.6**	**2.6**	**12.3**	**22.8**	**356.1**	**42.1**	**398.2**	**421.1**
Total Member State appropriation	**16.4**	**26.9**	**34.8**	**20.3**	**33.2**	**75.4**	**81.9**	**40.9**	**60.6**	**91.8**	**482.3**	**356.1**	**42.1**	**398.2**	**880.5**
B. Full financing through appropriation on Member States															
Member State appropriation	16.4	26.9	34.8	74.1	105.9	159.8	147.4	83.9	129.8	101.4	880.5				

Table A.2.2

Overall financing overview — equal yearly appropriation and loan(s) in Swiss francs and United States dollars

	Strategic heritage project period (2014-2023)											*Loan repayment (2024-2068) to be appropriated under the United Nations regular budget*			*Overall cost to Member States*
	2014	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*Total*	*2024-2052*	*2053-2068*	*Total*	
(Millions of Swiss francs)															
A. Appropriation, together with a long-term loan arrangement															
Member State	15.6	25.6	49.4	49.4	49.4	49.4	49.4	49.4	49.4	49.4	436.5				436.5
Swiss loan — new construction 0.0%	–	–	–	48.6	65.0	11.4	–	–	–	–	125.1				
Swiss loan — renovation 0.0%	–	–	–	–	–	33.2	90.6	30.3	73.9	46.9	274.9				
Total	**15.6**	**25.6**	**49.4**	**98.0**	**114.4**	**94.0**	**140.0**	**79.7**	**123.3**	**96.3**	**836.5**				
Member State appropriation for repayment of loans															
Swiss loan — new construction 0.0%						2.5	2.5	2.5	2.5	2.5	12.5	72.5	40.0	112.6	125.1
Swiss loan — renovation 0.0%										9.2	9.2	265.8		265.8	274.9
Total	–	–	–	–	–	**2.5**	**2.5**	2.5	**2.5**	**11.7**	**21.7**	**338.3**	**40.0**	**378.3**	**400.0**
Total Member State appropriation	**15.6**	**25.6**	**49.4**	**49.4**	**49.4**	**51.9**	**51.9**	**51.9**	**51.9**	**61.1**	**458.2**	**338.3**	**40.0**	**378.3**	**836.5**
B. Full financing through appropriation on Member States															
Member State appropriation	15.6	25.6	113.6	113.6	113.6	113.6	113.6	113.6	113.6	–	836.5				
(Millions of United States dollars)															
A. Appropriation, together with a long-term loan arrangement															
Member State	16.4	26.9	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	459.5				459.5
Swiss loan — new construction 0.0%	–	–	–	51.2	68.4	12.0	–	–	–	–	131.7				
Swiss loan — renovation 0.0%	–	–	–	–	–	34.9	95.4	31.9	77.8	49.4	289.4				
Total	**16.4**	**26.9**	**52.0**	**103.2**	**120.4**	**98.9**	**147.4**	**83.9**	**129.8**	**101.4**	**880.5**				
Member State appropriation for repayment of loans															
Swiss loan — new construction 0.0%	–	–	–	–	–	2.6	2.6	2.6	2.6	2.6	13.2	76.3	42.1	118.5	131.7

	Strategic heritage project period (2014-2023)											*Loan repayment (2024-2068) to be appropriated under the United Nations regular budget*			*Overall cost to Member States*
	2014	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*Total*	*2024-2052*	*2053-2068*	*Total*	
Swiss loan — renovation 0.0%	–	–	–	–	–	–	–	–	–	9.7	9.7	279.8	–	279.8	289.4
Total	–	–	–	–	–	**2.6**	**2.6**	**2.6**	**2.6**	**12.3**	**22.8**	**356.1**	**42.1**	**398.2**	**421.1**
Total Member State appropriation	**16.4**	**26.9**	**52.0**	**52.0**	**52.0**	**54.6**	**54.6**	**54.6**	**54.6**	**64.3**	**482.3**	**356.1**	**42.1**	**398.2**	**880.5**
B. Full financing through appropriation on Member States															
Member State appropriation	16.4	26.9	119.6	119.6	119.6	119.6	119.6	119.6	119.6	–	880.5				